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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1952

No. 38

SIDNEY STEELE, ET AL., PETITIONERS,

vs.

BULOVA WATCH COMPANY, INC.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

PETITION FOR CERTIORARI FILED APRIL 21, 1952
CERTIORARI GRANTED JUNE 2, 1952

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[fol. 1] [Caption omitted]

[fol. 2]

IN UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF TEXAS, SAN ANTONIO DIVISION

Civil Action No. 1270

BULOVA WATCH COMPANY, INC.

vs.

SIDNEY STEELE, SOFIA STEELE, also known as Sophie Steele, and S. Steele Y Cia., S. A

COMPLAINT—Filed June 13, 1949

I. Parties

1. The Plaintiff is the Bulova Watch Company, Inc., a corporation organized under the laws of the State of New York, with its principal place of business in New York City, New York.

2. Defendants are Sidney Steele and Sofia Steele, also known as Sophie Steele, his wife, of 134 West Kings Highway, San Antonio, Texas, and S. Steele Y Cia., S. A., a corporation organized and existing under the laws of Mexico, with its principal office in Mexico City D. F., Mexico, all of whose stock is beneficially owned by Sidney Steele and his wife.

II. Jurisdiction

3. Your Honorable Court has jurisdiction of this matter by reason of the following:

a. The parties to this action are citizens of different states.

b. The matter in controversy, exclusive of interest and costs, exceeds the sum of Three Thousand Dollars ($3000.00).

[fol. 3] Title 28 of the United States Code, Section 1338 (b) gives jurisdiction to District Courts of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the trade mark laws.

III. Facts

4. About the year 1875, Joseph Bulova founded a business in the City of New York as a manufacturer and dealer in jewelry, watches and kindred articles ordinarily sold to retail jewelers, which he conducted under his own name until the year 1911, when a corporation was organized under the name, J. Bulova Company, which succeeded to the business theretofore conducted by said Joseph Bulova which said business was conducted by the J. Bulova Company until the year 1932 when the name of the said corporation, J. Bulova Company, was changed by certificate duly filed in the office of the Secretary of the State of New York to the name, Bulova Watch Company, Inc. The said business has been conducted and is still being conducted under the said name, Bulova Watch Company, Inc., by the Plaintiff in this action.

5. The Plaintiff and its predecessors have conducted the business of manufacturing and importing and selling watches and other articles for sale to retail jewelers throughout the United States since the business was organized in the year 1875 and deal extensively in the sale of watches, clocks and other articles. The business of the Plaintiff and its predecessors, starting in a small way, has been gradually built up until its yearly sales have exceeded $25,000,000. The Plaintiff and its products are extremely [fol. 4] well known throughout the United States, Mexico, Latin America and most of the civilized world, and the Plaintiff is generally known by the public and referred to as "Bulova" and its products are generally referred to as "Bulova." The Plaintiff does an extensive business with retail jewelers, with department stores and others in all parts of the world, including the United States, Mexico, Latin America, Europe, Asia, Australia and Africa, and the name "Bulova" has acquired, through the Plaintiff's long continued use, high value and reputation and is understood to and does designate only Plaintiff and its business and merchandise throughout the world, including the United States, Mexico, Latin America, Europe, Asia, Australia and Africa, and stands for a product of the highest quality. The word "Bulova," as applied to the products of the Plaintiff, has acquired a wide and favorable international reputation

which was created by the Plaintiff and indicates to purchasers and the public that the goods, to which it is applied, are the goods of the Plaintiff, and the Plaintiff and its products are generally known and referred to as "Bulova," and the Plaintiff uses in its business the name "Bulova."

6. The Plaintiff, for many years past, has spent millions of dollars in advertising the name of "Bulova" in connection with the products of the Plaintiff Company in newspapers, magazines, periodicals and through the medium of radio and television broadcasting stations, until the name "Bulova," standing alone, has come to be known to the public throughout the United States, Mexico, Central and Latin America and the rest of the world, as denoting products manufactured and distributed by the Bulova Watch Company, Inc. It's advertising budget runs from One Million Dollars to Three Million Dollars per year.

[fol. 5] 7. The name "Bulova" is a family name and has been in continuous use by the Plaintiff Company and its predecessors since 1875. On January 26, 1927, Plaintiff registered the trade mark "Bulova" under the 1920 Act for watches, watch movements and watch cases, and has used that trade mark exclusively since that time. The Plaintiff also registered the trade mark "Bulova" under the Lanham Act of 1946 in class 27, Ser. No. 544,537, on December 17, 1947, and the said trade mark was duly published in the Official Gazette of the Patent Office, in accordance with the provisions of the Trade Mark Act of 1946. No notice of opposition has been filed within the time provided for under the said Lanham Trade Mark Act of 1946, nor within the time specified by the Rules of Practice in Trade Mark Cases.

8. In addition to the registration of the trade mark and trade name "Bulova" in the United States, it it also registered in many foreign countries and also is entitled to the protection given owners of trade marks registered in the United States, in accordance with numerous Conventions between the United States of America and Other Powers.

9. The Defendant, Sidney Steele, for a long time, has been in the watch business and had personal knowledge of the good reputation of the products of Plaintiff and their ready market in all parts of the civilized world, as the result of the great amount of advertising done by Plaintiff of the name "Bulova" on more than 250 radio stations, many

television stations and in a great number of newspapers, periodicals, magazines, bill boards, trolley and bus cards, displays in waiting rooms of rail, ship, bus and airline ter- [fol. 6] minals in all parts of the world, as well as displays provided by Plaintiff for shop windows of authorized dealers in more than 8000 shops in the United States and in thousands more in other parts of the world, including Mexico and Latin America, for nearly fifty (50) years.

10. The Defendants, with knowledge of the value of the trade mark and trade name "Bulova" and without the consent of the Plaintiff, the sole owner of the said trade mark and trade name, deliberately, wrongfully and with the intent to misrepresent to the buying public the source of their watches, watch cases and watch movements, did appropriate the name "Bulova" and cause the same to be engraved, stamped and affixed to watches, watch cases and watch movements not manufactured by the Plaintiff and not authorized by the Plaintiff, with intent and calculated to deceive and to cause mistake, confusion and fraudulent substitution of Defendants' products as and for the products of the Plaintiff, and has resulted in such substitution taking place.

11. As the result of the sale by Defendants or persons selling Defendants' products, watches, watch cases and watch movements with the forged name "Bulova" in various parts of Mexico, Latin America, France, Cuba and various parts of Southern United States, especially Texas, Arizona, New Mexico and California, many of the buying public have sent such spurious and counterfeit "Bulova" watches, watch cases and watch movements to the New York office of Plaintiff with a request that Plaintiff make good on its advertised guarantees, or make repairs or replacements or refunds, to the damage of Plaintiff's reputation and good will, in addition to the loss of sales by the Plaintiff, in [fol. 7] those instances where forged products had been bought; and has resulted in confusion, fraud and loss to the purchasers thereof.

12. As soon as Plaintiff was able to learn that the Defendants were the persons responsible for the distribution of their spurious product in unfair competition with the products of the Plaintiff, Plaintiff notified Defendants that their use of the name "Bulova" is unauthorized by

the Plaintiff, that the Defendants' use of the trade mark "Bulova" began long after the name "Bulova" had acquired a meaning identifying the Plaintiff's business throughout the United States, Mexico, Latin America, Asia, Africa, and Australia, as well as other parts of the world, and that the name "Bulova" is a family name of persons interested in the Plaintiff corporation, that the Plaintiff is the owner of the registered trade mark "Bulova", and demanding that the Defendants discontinue the use of the word "Bulova" in connection with any product whatsoever, whether or not similar to products manufactured and sold by the Plaintiff.

13. Notwithstanding Plaintiff's demands that Defendants cease and desist from using Plaintiff's trade mark and trade name "Bulova" in unfair competition with Plaintiff, Defendants have, for years, defied the Plaintiff, flouted the law and resisted efforts to terminate such unfair competition.

14. The Plaintiff has just been informed that the individual Defendants are citizens of the United States of America and that they maintain their domicile and residence in the City of San Antonio, Texas, within the jurisdiction of your Honorable Court.

[fol. 8] 15. The defendants, by their deliberate and wilful and wrongful forging of the name "Bulova" on products similar to those sold by the Plaintiff, are committing acts which are (a) contrary to commerical good faith; contrary to the honorable development of industrial or business activities; and (b) calculated to represent that the goods sold and distributed by Defendants are the goods of Plaintiff, by the appropriation of Plaintiff's trade mark and in such manner as to try to avoid responsibility under the laws of the United States of America and in defiance of the provisions thereof.

16. Plaintiff is engaged in interstate, territorial and foreign commerce and its trade mark and trade name "Bulova" is used in commerce, as defined in the Acts of Congress enacted for the protection of those engaged in interstate and foreign commerce, and Defendants, by their unauthorized use of the name "Bulova", are subject to the liabilities set forth in the various trade mark and trade name acts of Congress, now codified in the Lanham

Trade Mark Act of 1946. The Congress of the United States has declared that it is the intent of the said Acts to make actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State or territorial legislation; to protect persons and corporations engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits or colorable imitations of registered marks, and to provide rights and remedies stipulated by treaties and conventions respecting trademarks, trade names and unfair competition entered into between the United States and foreign nations.

[fol. 9] 17. Plaintiff's right to exclusive use of the trade mark and trade name "Bulova" is incontestable and Plaintiff has never authorized any other persons whatsoever to use the name "Bulova" nor has Plaintiff abandoned its rights in such name.

18. The good will of Plaintiff's business in manufacturing, importing and selling watches, watch cases, watch movements and other articles sold under its trade name and trade mark "Bulova" has a value in excess of millions of dollars, and the value of being protected in the exclusive enjoyment of the means whereby Plaintiff's trade reputation and good will is made valuable and its products distinguished from those of others is millions of dollars and, while the Plaintiff cannot, with certainty, state the exact amount which it is entitled to recover from the Defendants, the Plaintiff charges that it is entitled to recover in this suit, by reason of the acts of the Defendants aforesaid, more than $1,000,000.00.

IV. Prayer

Wherefore, your Petitioner Prays that an injunction issue herein perpetually enjoining and restraining the said Defendants, Sidney Steele and Sofia Steele, his wife, also known as Sophie Steele, in any part of the world, individually and as officers, directors and stockholders of S. Steele Y Cia, S. A., or of any other corporation, firm, partnership or organization whatsoever, and the S. Steele Y Cia, S. A., their officers, agents and servants and all

claiming or holding through or under the said Defendants, or any of them, from

[fol. 10] 1. Using or affixing the name "Bulova" in any manner whatsoever to any products similar to those manufactured and sold by Plaintiff, and from manufacturing, importing, selling or dealing in any manner in watches, watch cases, watch movements or any other product whatsoever, in imitation or simulation of products manufactured by the Plaintiff and bearing the trade name "Bulova"; and from selling watches, watch cases or watch movements not made by or for the Plaintiff, to any agent, dealer or other person with the intent or with the knowledge that the same is to be sold under the name "Bulova" or other name likely to be confused with the said registered trade mark "Bulova", or in packages imitating Plaintiff's packages, or to be passed off as and for "Bulova" products, and other wise granting such injunctive relief as, upon the facts as they shall be made to appear, may be just and equitable.

2. Directing them to obtain cancellation of the registration of the name "Bulova" wherever it may appear registered as a trade mark belonging to the said defendants, and to furnish the Court with satisfactory evidence of such cancellation.

3. That the Defendants be required to surrender to the Court all infringing labels, containers, watches, watch cases, watch movements or other material or products wrongfully bearing the trade mark "Bulova", so that Your Honorable Court may order their destruction.

4. To cease and desist from interfering with the Plaintiff, its servants, agents or employees or authorized attorneys or dealers in registering and protecting Plaintiff's right to the exclusive use of the trade mark or trade name "Bulova".

[fol. 11] 5. To account for and pay to the Plaintiff all profits made by them from the sale of watches, watch cases, watch movements or other articles bearing the name "Bulova" similar to those manufactured or sold by Plaintiff, in packages bearing labels or marked with Plaintiff's trade mark or trade name, and that the Defendants be compelled to pay to the Plaintiff the damages it has suf-

fered from the Defendants' acts anywhere in the world, together with the costs of this suit.

6. That the Defendants be ordered to pay to Plaintiff damages for the wrongful use of the trade mark "Bulova", and such further damages which Plaintiff may sustain as the result of Defendants' unlawful actions.

7. Such other and further relief as may be just and equitable.

And It Will Every Pray, &C.

Sanford Cohen, George Cohen, Isidor Ostroff, Maverick, Putman and Putman, Attorneys for Plaintiff. By (S.) Maury Maverick.

1000 Transit Tower,
San Antonio, Texas.

[fol. 12] IN UNITED STATES DISTRICT COURT

ANSWER—Filed July 2, 1949

Now come the Defendants Sidney Steele and Sofia Steele, and in answer to Plaintiff's Complaint herein respectfully show:

First Defense

The Complaint fails to state a claim against Defendants upon which relief can be granted.

Second Defense

1. Answering Paragraph 1 of the Complaint these Defendants admit that the Plaintiff is a corporation organized under the laws of the State of New York with its principal place of business in New York City, New York.

2. Answering Paragraph 2 of the Complaint these Defendants admit that they have a residence in San Antonio, Texas, but deny that there is any such corporation as S. Steele y Cia., S. A., organized under the laws of Mexico or any other country, and deny that they own, beneficially or otherwise, the stock in any such corporation.

3. Answering Paragraph 3 of the Complaint Defendants admit that Plaintiff and Defendants are citizens of different

States, but deny the other averments of Paragraph 3 and the legal conclusions contained therein, and say that this Court is without jurisdiction, and should not assert jurisdiction.

4. Answering Paragraph 4, Defendants allege that they are without knowledge or information sufficient to form a [fol. 13] belief as to the truth of the averments contained in said paragraph.

5. Answering Paragraph 5, Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the averments contained in said paragraph, except the averment that the name "Bulova" is understood to and does designate only Plaintiff's merchandise in the Republic of Mexico, which averment Defendants specifically deny. Defendants further deny the averment that the word "Bulova" is generally associated with Plaintiff's products in Mexico to the exclusion of watches sold by Defendant Sidney Steele in Mexico.

6. Answering Paragraph 6, Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the averments contained in said paragraph, except that Defendants specifically deny the averment that the name "Bulova" has come to be known throughout the Republic of Mexico as denoting products manufactured and distributed by Plaintiff, and Defendants say that Defendant Sidney Steele is the owner of the title to such name for use in selling Swiss watches in the Republic of Mexico.

7. Answering Paragraph 7, Defendants allege that they are without knowledge or information sufficient to form a belief as to the truth of the averments contained in said paragraph, except that Defendants aver that the name "Bulova" is not used by Plaintiff as a family name but solely as a corporate name under the laws of the State of New York.

8. Answering Paragraph 8, Defendants allege that they are without knowledge or information sufficient to form a [fol. 14] belief as to the truth of the averments contained in said paragraph, except that Defendants aver that Plaintiff has not registered the name "Bulova" in the Republic of Mexico.

9. Answering Paragraph 9 of the Complaint, Defendants

admit that Defendant Sidney Steele, for a long time, has been in the watch business, but deny the other averments of said paragraph.

10. Answering Paragraph 10 of the Complaint, Defendants deny the averments thereof.

11. Answering Paragraph 11 of the complaint, Defendants deny the averments thereof.

12. Answering Paragraph 12 of the Complaint, Defendants deny the averments thereof, and say that Plaintiff has never made a demand of any kind that Defendants discontinue the use of such name, but on the contrary have recognized the ownership by Defendant Sidney Steele of the title in Mexico to said trade name or mark.

13. Answering Paragraph 13 of the Complaint, the Defendants deny the averments thereof, except that Defendants aver that Defendant Sidney Steele, as the owner in Mexico of the registered trademark "Bulova" has at all times during more than fifteen years claimed full rights thereunder and resisted all of Plaintiff's attacks thereon.

14. Answering Paragraph 14 of the Complaint, the Defendants deny the averments thereof.

15. Answering Paragraph 15 of the Complaint, Defendants deny the averments thereof.

[fol. 15] 16. Answering Paragraph 16, Defendants aver that they are without knowledge or information sufficient to form a belief as to the truth of the averments that Plaintiff is engaged in interstate, territorial and foreign commerce and its alleged mark and trade name "Bulova" is used in commerce as defined in the Acts of Congress, but Defendants deny that they, or either of them, use the name "Bulova" in any unauthorized way, and deny that any use made by Defendants, or either of them, of the name "Bulova" is subject to any of the Acts of Congress or any Treaties or Conventions as alleged in Plaintiff's Complaint.

17. Defendants deny the averments contained in Paragraph 17 of the Complaint.

18. Defendants deny the averments of Paragraph 18 of the Complaint.

Third Defense

Defendant Sofia Steel is the wife of the Defendant Sidney Steele. The Defendant Sidney Steel is engaged in the busi-

ness of dealing in watches and jewelry in the Republic of Mexico, his place of business being located in Mexico City. Sofia Steele has no interest in said business, which is exclusively the business of the Defendant Sidney Steele, who will be hereinafter referred to as "Defendant." Since prior to the year 1933 Defendant has been engaged in the business of selling watches and jewelry solely within the Republic of Mexico to persons and concerns residing and doing business in the Republic of Mexico, and who are engaged in the retail sale of watches and jewelry in said Republic. On or about [fol. 16] December 5, 1933, S. Steele & Co., which was the business or corporate name under which Defendant was then operating, was granted title, under the laws of the Republic of Mexico relating to trademarks and trade names, to the name "Bulova" for use in selling watches of different kinds manufactured in Switzerland, said mark or name having been granted as National Trademark No. 33602, a copy of which is attached as an exhibit to this Answer. On October 26, 1935, said trademark was duly and legally transferred into the name of Sidney Steele. From the time of such registration and continuing to the present time Defendant has imported watches from Switzerland directly into the Republic of Mexico and on some of the watches so imported has used the name "Bulova" by placing the same on the face and works of such watches and on the package or wrapping thereof, and has sold said watches within the Republic of Mexico, and not elsewhere, in pursuance of his rights under such registration, to persons engaged in the retail sale of watches in the Republic of Mexico. Defendant has not exported any of such watches or offered the same for export to or from the United States, or any of its territories, nor offered the same for sale to persons in the United States, or any of its territories, nor is Defendant engaged in business in the United States or any of its possessions. Defendant has not engaged in commerce or competition within the United States or within the jurisdiction of the Government of the United States. Defendant would, therefore, show that none of his transactions in watches bearing the name "Bulova" have been subject to or have violated any of the laws of the United States, and that all of his transactions in such watches have been in accordance with and

[fol. 17] sanctioned by the laws of the Republic of Mexico where all of such transactions took place and, therefore, Plaintiff is not entitled to any relief prayed for in this cause.

Fourth Defense

Defendants adopt all of the averments contained in the Third Defense and further aver that on or about February 12, 1946, after Defendant had been imported and selling watches as hereinabove alleged for a period of more than twelve years, the Plaintiff, through its agents and attorneys-in-fact in Mexico, commenced a suit in an administrative way before the Department of National Economy and the Director of Industrial Property of the Republic of Mexico (an agency of said Department) against Defendant Sidney Steele seeking the cancellation of said trademark or trade name No. 33602 registered in the name of the Defendant on various grounds, including the ground that the same was in previous use by Plaintiff and that the registration and use of said trademark or trade name was in violation of the Mexican law and in violation of International Agreements to which the Republic of Mexico was a party. Answers having been filed in such administrative proceeding by said officials and Defendant Sidney Steele, and the matter having been examined into by said agencies of the Republic of Mexico, such petition for cancellation of said trademark or trade name No. 33602 called "Bulova" was denied on September 10, 1946. Thereupon Plaintiff, acting through its agent and attorney-in-fact and its attorneys, filed a suit in the District Court for the Federal District of Mexico in Mexico City for an injunction against the judgment and [fol. 18] action of the Department of National Economy and the Director of Industrial Property, making Defendant Sidney Steele a party, in which it was asserted that the judgment and action of the Department above referred to violated the Constitution and laws of the Republic of Mexico and treaties to which the Republic of Mexico was a party, and seeking relief in the nature of an injunction against such administrative judgment or order. Defendant Sidney Steele answered in said action as the interested party therein setting up his rights to the use of said name in Mexico. Thereafter said suit was tried and the injunc-

tion sought by Plaintiff, Bulova Watch Company, Inc., of New York, was granted by the District Court thus ordering the cancellation of the registration of said Mexican National Trademark No. 33602. Thereafter, and in December, 1947, the Departmental authorities involved in the injunction suit and Defendant Sidney Steele took an appeal from the order and judgment of the District Court to the Supreme Court of Mexico, seeking the reversal of the judgment of the District Court and the affirmance of the departmental rulings. Thereafter, and on or about June 24, 1948, the Supreme Court of Mexico passed upon such appeal reversing and revoking the judgment of the District Court of the Mexican Federal District and refusing all injunctive relief against the use of said trademark owned and registered under the Mexican law by Defendant Sidney Steele, thus affirming the rulings of the said Department of Industrial Property sustaining the rights of Defendant Sidney Steele. Defendant would, therefore, show that the relief sought by Plaintiff herein has been determined as between Plaintiff and Defendant by the administrative authorities and the Supreme Court of Mexico, and that the said agencies and said Courts of Mexico had jurisdiction [fol. 19] over the matter in said proceedings and suit which were voluntarily brought and prosecuted by Plaintiff, and Plaintiff is bound thereby under the doctrine of res judicata and is, therefore, not entitled to any of the relief sought in this cause.

Fifth Defense

Defendants adopt all of the averments under the Third and Fourth Defenses, and further aver that after the Supreme Court of Mexico had confirmed in Defendant Sidney Steele the ownership of Mexican National Trademark No. 33602 called "Bulova," Defendant, through his attorney, brought suit in the administrative way before the Department of National Economy and the Director General of Industrial Property in Mexico City seeking administrative judgment or declaration of the illegal use by Plaintiff and others of said trademark or trade name, said proceedings having been instituted in September, 1948. Thereafter and in October, 1948, the Plaintiff and its Mexican subsidiary filed an answer and cross-action in said proceedings renew-

ing and setting up again the claims as to the invalidity of said registered trademark or trade name and seeking to invalidate said registered trade mark or trade name and to cancel Plaintiff's rights under the laws of the Republic of Mexico to use the same. Said proceeding involves all of the basic issues and claims of right upon which Plaintiff's action in this Court is based, and said proceeding is still being prosecuted and is pending undisposed of and, therefore, Plaintiff's suit herein may not be maintained and none of the relief prayed for by Plaintiff may be granted by this Court because the granting thereof would be an attempt to interfere with ~~and to assume~~ jurisdiction over a dispute and [fol. 20] controversy arising under Mexican law now pending before Departments of the Mexican Government having authority under the Mexican law.

Sixth Defense

Since prior to the year 1933 Defendant Sidney Steele has been engaged in selling watches solely within the Republic of Mexico as alleged above under the Third and Fourth Defenses, which averments are hereby adopted, which facts were known to Plaintiff and to Plaintiff's representatives in Mexico, or in the alternative, Plaintiff was at all of such times charged with notice by virtue of the registration and issuance of the title to National Trademark No. 33602 to Defendant Sidney Steele. Plaintiff, having such full knowledge or being charged therewith, took no action of any kind other than the unsuccessful action as set forth under the Fourth Defense commencing in 1946, and the presently pending administrative action set forth under the Fifth Defense, and during such period of approximately twelve years of complete inaction and delay Defendant continuously used said trademark or trade name "Bulova" on Swiss watches sold by him in Mexico as above alleged, and has built up a part of his watch and jewelry business thereon; therefore, Plaintiff is not entitled to any of the relief sought in this case because Plaintiff's suit and demand is a stale demand and Plaintiff has been guilty of laches, and because Plaintiff's cause of action, if any it had, has been long since barred by the statutes of limitations and repose both of the State of Texas and of the United States and of

the Republic of Mexico, the bar of which statutes Defendants hereby plead, and Defendants specifically plead in bar of Plaintiff's alleged causes of action and demand the Two [fol. 21] and Four Year Statutes of Limitations of the State of Texas.

Seventh Defense

Defendants would show that the Defendant Sidney Steele, since December 5, 1933, has been the holder of the title to Trademark No. 33602 under the laws of the Republic of Mexico, and in pursuance of the rights granted thereby under the laws of Mexico has truthfully offered and sold solely within the Republic of Mexico watches which said Defendant publicly states and admits to be watches "manufactured in Switzerland," whereas the Plaintiff has continuously offered and sold within the United States and elsewhere under the "Bulova" name watches made by various manufacturers in Switzerland without disclosing in its advertising and other representations that such is the fact. On the contrary Plaintiff has palmed said Swiss watches off as watches originating with and manufactured by Plaintiff Bulova Watch Company, Inc., of New York and, therefore, Plaintiff does not come into this Court with clean hands, but has itself used and continues to use the name "Bulova" in an untruthful and deceitful way and is, therefore, not entitled to any of the relief sought herein.

[fol. 22] Wherefore, Defendants pray that this cause be dismissed and that all relief prayed for by Plaintiff be denied and all costs herein be adjudged against the Plaintiff.

(S.) Davis & Schenker, (S.) Herbert Davis, 904 Alamo National Building, San Antonio 5, Texas. (S.) Grady Barrett, (S.) W. L. Matthews, Attorneys for Defendants, 1501 Alamo National Building, San Antonio 5, Texas.

Of Counsel: Brewer, Matthews, Nowlin & MacFarlane, 1501 Alamo National Building, San Antonio 5, Texas.

(Here follows 3 photos, folios 23, 24, 25)

EXHIBIT TO ANSWER

(1-A)

ESTADOS UNIDOS MEXICANOS.

SECRETARIA DE LA ECONOMIA NACIONAL

Departamento de la Propiedad Industrial.

TITULO DE LA MARCA No 33802.

Por cuanto que los Sres. J. L. Woolf y Cía.
de Mexico, D. F.
cuyo establecimiento allí ubicado en Mexico, D. F.
han cumplido
con los requisitos legales correspondientes fue registrado el día
2 de Octubre de 1933 a las 12 horas 24 minutos bajo
el número arriba expresado, la marca cuyo fac-simile se
describe como sigue:

Este registro es válido por veinte años a partir de la
fecha arriba citada.

Y para constancia se extiende el presente Título en
Mexico, D. F. a 1 de diciembre de 1933.

El Secretario de la Economía Nacional.

El Oficial Mayor encargado del Despacho.

(16B)

DESCRIPCION de la marca perteneciente a la razón S. Steeby [illegible] miciliada en México, Distrito, Federal, que usa para amparar y [illegible] tinguir diversas clases de relojes fabricados en Suiza.

La marca consiste en el nombre "BULOVA"

La marca se usará dentro o fuera de los relojes, en los [illegible] y envases de los mismos y de cualquiera otra manera análoga.

RESERVAS

La propietaria hace consistir esencialmente su marca y [illegible] serva la propiedad exclusiva:

I.- Del uso de la denominación "BULOVA" y por lo tanto [illegible] rará como imitación el empleo y uso por un tercero de esa pal[illegible] para amparar relojes.

II.- Del conjunto general que se desprende de esa palabra [illegible] se según el dibujo que se acompaña.

III.- Del derecho de aplicarla de cualquiera manera que [illegible] en la impresion visual representada en las impresiones [illegible] México, Distrito, Federal, a veintitres de octubre de [illegible] tos treinta y tres.

(24)

(16C)

En el Historial de Marcas se registró la presente, cuya tramitación consta en el Exp. Nº 5621

México, D. F. 2 de diciembre de 1932

JEFE DE LA SECCION

Vo. Bo.

EL JEFE DEL DEPARTAMENTO

ING. EMILIO DE LA PARRA

En la fecha en que me fue entregado y concedió el registro de la marca 3260, y se expidió la Constancia V. Steele & Sons, Ltd., según aparece de la anotación marginal de expediente relativo. Por tanto, ruego a quien corresponda la propiedad de la mencionada marca, para cumplimiento de lo dispuesto en la fracción respectiva.

Guigner D. F. a 26 de Oct. de 1933

El Jefe del Departamento

Con esta fecha quedó asentado en el Libro Especial Núm. V.V. la transmisión de la propiedad de la marca Núm. 3260 en favor de V. Steele & Sons, Ltd.

México, a 26 de octubre de 1933.

EL JEFE DEL DEPARTAMENTO DE LA PROPIEDAD INDUSTRIAL

21

[fol. 26] [File endorsement omitted]

IN UNITED STATES DISTRICT COURT

[Title omitted]

APPEARANCES:

Hon. Geo. Cohen of New York City, New York;
Hon. Isidor Ostroff of Philadelphia, Pa.; and
Hon. Maury Maverick and Hon. Harold D. Putman, of the firm of Maverick, Putman & Putman, of San Antonio, Texas, Appearing on behalf of the Plaintiff.
Hon. Grady Barrett and Hon. Wilbur L. Matthews, of the firm of Brewer, Matthews, Nowlin & Macfarlane, and Hon. Herbert Davis of the firm of Davis & Scheneker; all of San Antonio, Texas, Appearing on behalf of the Defendants.

Kerr Sanders, Reporter, U. S. District Court, San Antonio, Texas.

[fol. 27] Be It Remembered that heretofore, to-wit, on April 17, 1950, in the San Antonio Division of the above Court, the above cause came on for trial, before the Honorable Ben H. Rice, Jr., United States District Judge, without the intervention of a Jury, whereupon the following evidence was introduced and the following proceedings were had:

COLLOQUY BETWEEN COURT AND COUNSEL

The Court: Gentlemen, I believe that we have five cases on call this morning, one of which is No. 1270 Bulova Watch [fol. 28] Company, Incorporated, Plaintiff, versus Sidney Steele, et al.

Mr. Maverick: The Plaintiff is ready.

Mr. Barrett: The Defendant is ready.

The Court: About how long do you think it will take to try this case?

Mr. Maverick: My opinion is, Your Honor—go ahead.

Mr. Putman: I was trying to figure. I assume, may it please the Court, between two and three or maybe five days.

The Court: Between two and five days?

Mr. Putman: Yes, sir, but it is hard to tell, very difficult to tell. What is your opinion, Mr. Barrett?

Mr. Barrett: Your Honor, there is a large amount of documentary evidence in the case, and there is——

The Court: You mean in the way of depositions?

[fol. 29] Mr. Barrett: No, sir, but in the way of certified copies of instruments and papers, but I don't think that it will take more than a couple of days to dispose of the case. There is one issue that is controlling in the case as far as the defendant is concerned, aside from the other issues that are raised, and that is the question of the jurisdiction of this Court to hear it, in view of the fact that the Mexican Courts have already decided the matter, according to this documentary proof that we have here, and I don't think that it will take or should take more than a day or two to dispose of that issue.

The Court: Well, we will just have to plow along and see how we get along.

The Court: I would like for the Plaintiff and for the Defendant to make a brief statement of the cause of action, and to state what the real issues are in this case which are material to the disposition of it, and we will begin with the Plaintiff.

Opening Statement on Behalf of Plaintiff

Mr. Maverick: Your Honor, I am prepared to make an analysis of our complaint, and also to make a very brief statement as to the law. The law will be fully dealt with with Mr. Ostroff, and I would like to introduce Mr. Ostroff, [fol. 30] who is a lawyer in Philadelphia. There will be another lawyer from New York, a Mr. Cohen, who came in late on the plane last night, and they are getting their papers together, and they are on the way to the Court now.

The Court: All right. I am glad to meet you.

Mr. Maverick: I will begin by making an analysis of the complaint. I am not going to read it all, and then I will make a brief statement of the theory of the case, if you want me to at that time.

The Court: Yes, I would be glad to have it.

Mr. Maverick: All right, sir. Paragraph one of the

Complaint sets out the Plaintiff, and its domicile, the Bulova Watch Company of New York. The Defendants are Sidney Steele and wife of San Antonio, Texas. Another Defendant was Sidney Steele Y Cia, S. A., which is a Mexican corporation, but we find that it is not a Mexican corporation, but that Sidney Steele has been cited individually, so he is a party in this case.

Jurisdiction is based on Title 28, Section 1338 (b).

Now, the facts in this case are, in Paragraphs 4 and 5 are these. It shows the history of the Bulova Watch Company, and it shows the type of business of Bulova Watch Company. It carries a high reputation for the quality of its merchandise, which are watches, and which it has at- [fol. 31] tained throughout the entire World, starting in 1875 by Mr. Bulova, and that no other person by the name of Bulova has ever used that name, that is to say, we believe legitimately, and as far as we know, this is the only case.

The Bulova name extends not only throughout the World but specifically in what I would term more or less the trade area of San Antonio and Mexico and the Latin-American Countries. Bulova has spent a very large sum of money, running into the millions and millions of dollars on advertising its product in the United States and throughout the World.

Bulova is strictly a family name. It is not a name made up like Coco-Cola, or anything of that kind, but is strictly a family name, and a distinctive family name; not an ordinary name, and hardly anybody that we know of is named Bulova except this family.

It has been registered in compliance with the Trade-Mark Law of 1920 and also of 1946. No opposition is made to this registration, and it is established within the United States.

In addition to that, in Paragraph 8 it is alleged that the trade-mark and trade-name is registered throughout the entire—at least, it is registered in most of the Countries of the World. The Defendant Sidney Steele knew of the existence of Bulova, of that name, and of that Company and its reputation for high quality in a ready market, for the Bulova name and its reputation, long before he filed any papers in Mexico.

[fol. 32] We allege that the Defendants knowingly and fraudulently appropriated the name of the Plaintiff and began using it on spurious watches, cases and movements, in order to deceive and to cause mistake, and that they have so succeeded.

These watches were purchased in parts. We will say that the case was purchased in Switzerland—I mean, the movement was purchased, we will say in Switzerland, and the case in the United States, and then that was changed to Bulova when it was brought to Mexico.

As a result of the sale of watches by the Defendant, these false Bulovas have been sent in to the Plaintiff to be made good for advertised guarantee, and this has caused damages to the Plaintiff, not only in the loss of sales but also his reputation and goodwill, and it has also caused fraud, confusion, and loss to the public.

Your Honor, I would like to say at this time that this action is of course against Mr. Steele, that it is also more or less for this Defendant to obtain equity in the enforcement of the law with reference to its entire rights in the name of Bulova which they have established since 1875.

We will show by numberless letters—we won't bring them all up here of course—but we will show by examples of letters which have been sent saying, "I purchased a watch in Mexico," and when they look at it, they find that it is a crudely fixed up watch, where another name is scratched out and Bulova is stamped over it.

[fol. 33] When Bulova discovered that the Defendants were the guilty parties in this fraud, they notified them of their misuse, and Bulova was claiming the lawfully acquired trade-mark and name.

The Defendants refused to follow the request made, and refused to follow the same. It is alleged that the Defendants are guilty of unfair practices and competition, and also representing their products to the public as being Plaintiff's, or Bulova watches. The Plaintiff is engaged in interstate commerce and foreign commerce within the terms of the laws of Congress, and the Defendants are violating the laws and are subject to the penalties of the Lanham Trade-Mark Act of 1946.

The Plaintiff has the incontestable right to the name of Bulova, and has never authorized anyone to use it, and

hasn't abandoned it either in the United States, or in any part of the World. The Plaintiff's goodwill is worth in excess of a million dollars, and they have damaged it in the sum of a million dollars.

Now, the prayer in this case is that the Court enjoin the Defendants as follows: In using the name Bulova in any way, shape or form; (2) the cancellation of any registration of the name of Bulova; (3) the surrender and destruction of all bogus Bulovas; (4) to cease and desist in interfering with the Plaintiff in registering and protecting Plaintiff's right to the exclusive use of the trade mark or trade-name, and (5) to account for and to pay for all profits made by them from the sale of bogus Bulovas, and for the damages suffered by the Plaintiff, and for cost of this suit, and (6) that the Defendants be ordered to pay to the Plaintiff damages for the wrongful use of the trade-name or mark, and for such further damages which the Plaintiff may sustain [fol. 34] as a result of the Defendant's unlawful use of the trade-mark, and such other and further relief as may be just and equitable.

As I stated to Your Honor, every lawyer thinks that by making a short statement he can save time for himself—I mean selfishly, and I am going to make a brief statement of our theory of the case, and the pleadings settle it pretty well, and then, as I say, Mr. Ostroff has briefed this thing extremely well, but I would like to make a preliminary statement of the case.

We will emphasize this matter, that the Bulova name is well known and that it is an old family name, which has been used for years and years, that is to say, since 1875, or a period of seventy-five years, or three-quarters of a century; that it is well known as for instance, Stetson hats or Philco radios or any of those kind of names, and also that the Bulova Watch Company has been seriously damaged and that it behooves them to see that the law is enforced in that regard.

In reference to this matter, if you go into the history of this, we find that a genus of trade-marks and trade-names—of course, the Judge and everybody else knows that is how it was started, originally by localities, that is to say, in the Common Law, and then we reach the statutory phase

of Nations and then in the States of the United States, and then there were Federal laws.

Now, throughout the history of all these laws, there has been one thing that has permeated all of the law, and that is the matter of good faith in these transactions, and what appears to be reasonable and common sense as to what a man is entitled to. Finally there came to the United States of America a Treaty, and it is not necessary to cite this one about the migratory bird act case on the Missouri, which [fol. 35] means that a treaty is the law of the land.

The purpose of these treaties was to protect international trade-names and trade-marks, literary productions, songs and all of that, and treaty rights transcend everything.

I have here a Treaty Series, No. 833, entitled "Trade-Mark and Commercial Protection and Registration of Trade Marks, Convention and Protocol between the United States of America and other American Republics," which was proclaimed February 27, 1931, and is now the law of the land.

On page 22 of this Treaty—those things are only printed in those annual things; they are not annotated; they are not in the United States Code, so I have to give it this way.

On page 22, chapter 3——

Mr. Barrett: What Treaty is that, Mr. Maverick?

Mr. Maverick: Well, right here (exhibiting paper to Counsel). On page 22, I referred to. This is a treaty that was adopted by the Republic of Mexico when the United States and others, and in the beginning of it it says, "By the President of the United States of America, a Proclamation," and it refers to Mexico, and at the end, it is signed by F. Suastegui, and has been approved and has been in operation with the Republic of Mexico since 1931, as among other Nations.

[fol. 36] On page 8—I mean on page 22, excuse me, chapter 3, under the title of "Protection of Commercial Names, Article XIV," it says:

"Trade-names or commercial names of persons entitled to the benefits of this Convention shall be protected in all the contracting States. Such protection shall be enjoyed without necessity of deposit or registration, whether or not the name forms part of a trade-mark."

There are also numerous other treaties of the United

States of America, some of which Mexico is not a party to, but throughout the whole fabric of these treaties, the idea of good faith in the protection of trade names prevails. Now, it is essential to understand—and I know the Court does, for me to emphasize the difference between a trade name and a trade mark because, if a person is established like the Stetson hat, or I should think the name of Philco radio or Coca-Cola in contra distinction to Pepsi-Cola or some other, that those are names which are trade names aside from being trade marks.

The procedures which have been established by Federal laws and by treaties naturally make it so that these registrations can be made, but it states specifically in almost all of these actions that it is not necessary that these be registered. Also it shows that where this is done by fraud or deceit that it is illegal.

On page 24 of this Treaty with the United States and Mexico it provides for injunction against the use of any commercial name or the cancellation of registration. It does not say in what Court this may be obtained, and we maintain that preliminarily the Plaintiff is an American citizen, a corporaton, and the Defendant is an American citizen, and is a resident of San Antonio, Texas, and that [fol. 37] upon the theory of equity, and being an action in personam; that this Court has equitable and legal and treaty jurisdiction as an International matter.

REPLY TO OPENING STATEMENT ON BEHALF OF DEFENDANTS

Mr. Matthews: May it please the Court, of course, as stated here by Mr. Maverick the Plaintiff's case here is a case of unfair competition in the use of the name Bulova by the Defendant Steele who has his place of business at his sole place of business in Mexico City. All of the conduct complained of here occurred in Mexico City under Mexican law.

The defendant replies to this Plaintiff's Complaint, raising the defenses which I will now outline.

He defends on the ground that he is the owner of National Trade-Mark No. 33602 covering the name of Bulova for use on watches manufactured in Switzerland, which he was

granted by the Mexico Government under Mexico Law on December 5, 1933.

There is a copy of this Trade-Mark attached to the Defendant's Answer here for his Trade-Name registration.

Of course, we will produce here a properly certified copy of that.

The Defendant further alleges that from time to time since the granting of the Mexican trade-mark in 1933 that he has imported watches from Switzerland directly into the Republic of Mexico and on some of the watches has used the name of Bulova, as the evidence will show he uses a number of other names against which these people do not complain, on watches which he imports from Switzerland and sells in Mexico.

[fol. 38] He places this name on the face and works of the watch which he has sold in Mexico and also uses his own name Steele on them.

The Defendant has not exported any of the watches, bearing the name of Bulova or the Bulova name, or offered any of them for export to or from the United States nor any of its territories, nor is the Defendant engaged in business in the United States, or engaged in commerce or competition in the United States in the sale of Bulova.

The Defendant further alleges and intends to prove that the question as to the validity of this Mexican trade-mark, a copy of which is attached to his pleading covering the name of Bulova used on Swiss watches, was specifically adjudicated between the Defendant Steele and the Plaintiff Bulova Watch Company by the Supreme Court of Mexico in June of 1948, and has since been adjudicated in a subsequent suit in the District Court for the Mexican Federal District.

The Defendant contends and alleges and will show that watches imported by him into Mexico and re-sold by him only in Mexico pursuant to this Mexican trade-mark, granted in accordance with Mexican law, is a matter beyond the jurisdiction of this Court, and it is not only beyond the jurisdiction of this Court, but it is beyond the jurisdiction of the laws of the United States which this Court administers.

The Plaintiff further alleges and will contend that this matter having been adjudicated in a case to which both the

plaintiff and the defendant were a party it is directly attacking this trade-mark and seeking to order the trade-mark set aside, and carrying the case to the Supreme Court of [fol. 39] Mexico is res adjudicata, which is conclusive, being a Court of competent jurisdiction, before which the parties appeared and had their rights determined.

Not only has the matter been adjudicated, but the Bulova Watch Company now has a proceeding pending, and as I understand it the evidence will show up for hearing before the Mexican Department, an Administrative hearing, seeking again to secure the nullification and the setting aside of this trade-mark which they seek and order from Your Honor to set aside, and that matter is still pending in an administrative way in Mexico undetermined and undisposed of.

The Defendant Steele contends and defends on the ground that this Court will not and should not act under the law pending their own administrative attack in Mexico under Mexican law on this Mexican trade-mark. In other words, Your Honor would give the same deference to matters pending down there in a friendly Nation before the proper authorities of the other Nation as you would a matter here, if it were being considered in an administrative way; you would dismiss this suit and entertain the matter only if and when some Complaint might be had after the administrative action was complete.

The Defendant further defends on the ground of laches and stale demands.

This suit comes sixteen years after the registration and publication of the Bulova trade-mark by the Defendant Sidney Steele in Mexico.

That long delay, of course, has been partially taken up in litigation adversely decided to these plaintiffs, or ad- [fol. 40] versely decided to this plaintiff in Mexico, as I have previously stated.

The Defendant further contends and defends on the ground that this Plaintiff itself does not come into this Court with clean hands, in that it is selling Swiss watches with the name Bulova, represented to be an American watch, and America's most beautiful watch, and purporting to be an American article, and contrary to the Federal Statutes and the Federal laws, in that they do not mark it of foreign

make, or Swiss made, and that therefore they cannot maintain this action.

Now then, in addition to the defense of laches, we, of course, plead limitation, both under the Mexican Law and under the Laws of Texas which, of course, are applicable here. In other words, this sixteen years of delay in prosecuting this suit, or bringing this suit, we contend has been long since barred by the four year Statute of Limitations of Texas, and the suit for damages by the two year Statute of Limitations in Texas, and as we will show, under the Mexican law, they had a limited time, I think, two years, or three years, within which to attack this trade-mark after it was registered and published in the official gazette or register down in Mexico, and that they failed to do that and waited some twelve or fourteen years afterwards to bring the attack in which they were unsuccessful. I believe that that properly states our defenses.

Now touching on the questions of law involved, I would like to make a very brief statement as did Mr. Maverick.

The law of Trade-marks and Trade-names is, of course, as in every Nation, confined to the territory of that Nation. [fol. 41] The United States Congress obviously has no right to pass laws with respect to unfair trade in the Republic of Mexico, nor can it pass laws that validate or invalidate Mexican properly registered trade-marks that are valid and adjudicated valid under their law.

The Plaintiff here, at least in part says in its pleading and specifically alleges that the jurisdiction of this Court to act in this case is based on what is generally called the Lanham Trade-Mark Act. That Act, of course, forbids unfair competition in Commerce and it defines it only as that commerce "which may lawfully be regulated by Congress."

Now then, Section 1124 of Title 15, that is, the United States Code, and that is the codification of the Lanham Act, contains the specific prohibition against the importation into the United States of labeled or branded merchandise "which shall copy or simulate the name of any domestic manufacturer or trader," thus clearly recognizing that goods bearing such trade-mark or names which do not enter the United States are beyond the reach of the Act.

In other words, it deals with trade-marks branded out-

side of the United States with United States trade-marks and excludes them from entering this Country, thus, clearly recognizing that it does not apply to them in a foreign Nation.

Of course, it is a fundamental concept of International Law and, really of logic too, that no law applies beyond the territorial jurisdiction of the Nation. In other words, Congress is limited in its legislative activities to the United States. It cannot pass trade-mark laws in Mexico. It can-
[fol. 42] not pass an Act which makes illegal or unfair competition in Mexico an Act which is fair competition and not illegal under the Mexican Law. That sort of conflict of laws would lead to utter disdaining and giving no credit or no recognition to other Nations and would be an imperialism imposed by the Courts beyond anything that even the most imperialistic has yet ever attempted, and that is, to determine the conduct of a person in Mexico acting under Mexican Law, under our laws.

Now, Your Honor is no doubt familiar with the case of Mexican Banana Company against United Fruit Company, in which Justice Holmes specifically dealt with this question of the territorial reach of the laws and the Courts and the administrative agencies and of all of the powers of the United States, and he held that even two citizens who were competitors here in the United States, in the banana business, when they went down to Costa Rica and did things in violation of our Anti-Trust laws, could not be hailed into Court or punished here, and the Court denounced just what is sought to be done here. It says if another jurisdiction, if it should happen to lay hold on the actor, to treat him according to its own notions, rather than those of the place where he did the act, not only would be unjust but would be an interference with the authority of another sovereign, contrary to the comity of Nations, which the other States concerned justly might resent. This was Justice Holmes in the banana case.

Mr. Maverick: Does that refer to a civil action or to a criminal action?

Mr. Matthews: Civil. This was treble damages under the Anti-Trust Act. It is in 213 U. S. 347.

[fol. 43] Now then, a case practically identical with this,

is this Vacuum versus The Eagle Oil Company case. In that case, casks containing gasoline and petroleum products were being shipped into European countries by the Eagle Oil Company, and which were being sold under the name of Vacuum, which was the name of the Vacuum Oil Company, and the case indicates that the word "Vacuum" meant that kind of stuff. It had gotten to mean that kind of stuff in Europe, to the Europeans, and being a foreign firm, if they put Vacuum on there, they knew what it was, whereas, otherwise, they would have to use the foreign name, and so forth, and it became interchangeable in the minds of the foreigners as the foreign name for these petroleum products.

Now then, the Court held of course, that the Vacuum Oil Company was entitled to protection in the United States against the use of its name on products, but the Court said that the action was one sounding in tort, and this is an action—unfair competition is a tort. It arises out of conduct denounced by the law as injurious to another party, and not on contract. It that case the Court said: "The law of the place of commission of the offense governs the right of recovery, and no case has been cited to the Court where an act legal in the Country where performed has been held to be the subject matter of punishment, or the recovery of damages in the Country where the parties happen to reside, or where service of process can be had upon them. To undertake to supervise and enjoin and declare illegal the commission of acts permitted by the laws of foreign countries, when they do not conform to our own, because, fortuitously, perhaps, we obtain jurisdiction of the person performing them, would, in my opinion, be an unwarranted interference with the sovereignty of such Country." I [fol. 44] think that is a clear, logical, and correct statement of the law on that subject.

Now then, without going into the cases, I mean, reading from them, or referring specifically to them, the law is perfectly clear, if Your Honor please, that a judgment of the Courts of Mexico, settling a question between parties —for instance, they brought a case here to set aside and nullify this particular trade-mark, on the ground that it was their trade-mark and name, and lost the case.

Now, the Fifth Circuit in a case very recently, filed

Spann versus Compania Mexican Radiodifusora Fronteriza, 131 Fed. (2) 609, our Fifth Circuit Court of Appeals, in that case said that where a party submitted his case to a Mexican Court and had it decided adversely to him that he was bound by it in our Courts and that our Courts recognize the judgment and decrees of a friendly Nation such as Mexico, and specifically recognized the adjudication in Mexico as binding on Spann, and pointing out this utter unfairness of going down there and having the thing adjudicated and then coming up here and trying to get it reversed. In that case it is said, "The District Judge, of the opinion that under settled law, verdict for Plaintiff for the amount sued for was demanded, instructed the verdict and gave judgment accordingly." Wait a minute, I have the wrong place. "On this record, Appellant, having invoked the jurisdiction of the Mexican Courts under statutes and rules which, if he had recovered the amount he sued for, would have entitled him, in addition thereto, to 12% thereof as cost, and, if he had lost, would have subjected him to a like judgment for costs, and, now, contesting the judgment against him as loser, finds himself in the quite unenviable position of trying to take the good without the bad, the sweet without the bitter."

[fol. 45] In other words, had they won this case and canceled that trade-mark in Mexico, they would, of course, take advantage of it, and I am satisfied would argue that we could not set it aside up here.

Now, there is a number of very strong cases, including a Supreme Court case holding specifically—I mean the Supreme Court of the United States, holding specifically that judgments in Mexico or of Mexico are entitled to full faith and credit. Hilton versus Guyot, 159 U. S. 113.

Now then, of course, Your Honor, there is an administrative proceeding pending down there now, in addition to the adjudication, bringing up the very question here, attacking this trade-mark and the right to it and seeking to set it aside, which is the only right the Defendant claims, that is, this registered trade-mark, a suit seeking to set it aside, still pending in Mexico, still undecided and undetermined.

Now then, we say that under the law of the United States and the law applicable in this Court, that this Court

will not intervene in a subsequent suit brought here and usurp the jurisdiction invoked by the Plaintiff itself in Mexico to set aside a Mexican trade-mark, and itself set it aside.

Now, we cite the case of Myers versus the Bethlehem Shipbuilding Corporation, which is an opinion by Justice Brandeis, in which he dealt with the Shipbuilding Corporation's contention that the National Labor Relations Board had no jurisdiction of a proceeding before it, and that the Company would be irreparably damaged, if forced to a long and costly hearing before the Board. In other words, they had gone to the Court before they had finished before an Administrative Agency. The Court said: "The [fol. 46] contention is at war with the long settled rule of judicial administration that no one is entitled to judicial relief for a supposed or threatened injury until the prescribed administrative remedy has been exhausted. That rule has been repeatedly acted on in cases where, as here, the contention is made that the administrative body lacked power over the subject matter. Obviously, the rule requiring exhaustion of the administrative remedy cannot be circumvented by asserting that the charge on which the complaint rests is groundless and that the mere holding of the prescribed administrative hearing would result in irreparable damage."

In other words, they don't even contend that. I don't know what their answer to that is.

Of course, we cite other cases on that same principle, which is very fundamental in our Jurisprudence.

Now then, of course, we contend that the Plaintiff is barred by laches and limitation, as I have stated, and we cite the laches and limitation question on that very briefly. We don't think that the laches and limitation defense has ever come into force yet, because all of the delay was due to their trying to set it aside down there and failing.

Now then, under the unclean hands doctrine, we rely on the proposition, which we will develop a little more fully later, after the evidence is in, that a Court of Equity will not extend its aid and sustain any claim to a trademark of an article which is put forth with misrepresentation to the public as to the manufacture of the article, as to the place where it is manufactured, as stated in Man-

hattan Medicine Company versus Wood, 108 U. S. 218. [fol. 47] Now, that is a general resume of our contentions and the position which the Defendant will take.

REPLY TO STATEMENT

Mr. Maverick:

If the Court please, the specific case, the Vacuum Oil Company case, mentioned by him, and the case of Hilton versus Guyot, will be taken up by Mr. Ostroff, but I would like to make a general comment on his statement before Mr. Ostroff proceeds.

Mr. Matthews said that all conduct complained of occurred in Mexico. This if not so, because we took a deposition, and the question was asked by Mr. Maverick, "Where did you buy the cases?" that is, the cases of the watches, and the answer by Mr. Steele was, "In the States. If the movement just came, we buy the cases in the States." Question by Mr. Maverick, "Was the name of Bulova stamped on them when you got them," and the answer was, "No, sir." Question by Mr. Maverick: "Did you stamp them yourself?" and the answer was, "Yes." And then this question was asked——

Mr. Matthews: If Your Honor please, we are stating our positions, and are not starting the introduction of evidence.

The Court: Sir?

Mr. Matthews: I just wanted to suggest that when we get into the evidence, we will read the depositions, when we start the trial.

[fol. 48] The Court: Well, I assume that he was not intending to read the deposition.

Mr. Maverick: I just want to read one more line to give the Court the idea.

The Court: Well, without doing that, you might state briefly your theory as to why this Court has jurisdiction.

Mr. Maverick: All right.

The Court: And what facts you allege in the Complaint.

Mr. Maverick: We are willing to go into all of the evidence now, if you want us to.

The Court: Sir?

Mr. Maverick: We are willing to go into all of the evidence now, if you want us to.

The Court: The Court doesn't care to hear the evidence
ht now, for the question of jurisdiction is before the
urt.
l. 49] Mr. Maverick: But the evidence will show that
ls and cases were bought in the United States, in Inter-
te Commerce.
The Court: Will show what?
Mr. Maverick: Will show that dials and cases were
ght in the United States, or at least, part of the watches.
ere are so many different parts of a watch I don't know
ctly which one of the parts of the watches were bought
the United States and transported to Mexico, as well
some from Switzerland and were assembled there.
There was trade by the Defendant in the States, so, all
the conduct that we referred to did not occur in Mexico.
Now, there is another part which Mr. Ostroff will cover,
that is, that there a difference between full faith
credit and comity. There is a considerable amount of
ference in that, and I believe that the Court will find
t there is a great deal of difference. He said that there
s a state demand, sixteen years. Now, when you get
the subject of state demand, the purpose of these treaties
to make it so that you would have rights throughout
World. We will say, for instance, just talking hypo-
tically you want to sell watches in China, which this
anization did; I don't know whether they have a repre-
tative there or not. I don't know whether under our
ernational status with China, whether we have them
l. 50] there or not, and Outer Mongolia, which has never
recognized by the United States, but under this treaty
person signed it, why, they would be bound by it.
Ir. Matthews said th-t Bulova represents their product
n American product. That is not correct, because the
dence will show that Bulova himself has and owns a
tory in Switzerland. It merely mentions his watch; it
World-wide watch, and when you talk about limita-
s, that seems to me to be like saying there would be
itations on the name of Maury Maverick. A man could
"Well, I am Maury Maverick, and I am doing so-
-so," or, you could take a Stetson hat, or something
that. There is no limitations when there is palpable
plain fraud, and as to the Lanham Act, it does not

exclude other remedies. It does not exclude equitable rights, and Mr. Matthews says you can't go beyond your own territory and go into Mexico law, and then he speaks of imperialism; that is more or less of a florid phrase, like the philosophy of the law; that hasn't anything to do with the law, and when we talk of this, this is really what the International lawyers call an International statute, and the Treaty itself here says that action can be taken; it doesn't say in what Country. It says that injunctions can be granted. That is what the Treaty says, and this is the law of the land of the United States.

Now, when we get into the subject of administrative proceedings, upon the theory which he has enunciated, you could go ahead and register your trade-mark in a certain Count-y, and then the other man who really owns the name of Bulova, or whatever it happened to be, he could com-[fol. 51] plain of it, and then they could keep it in the Courts for the next three or four or five years and say, "Well, you have not exhausted your remedies;" well that has been going on now for, I think, about three years; it has been going on for a long time. I would say that the quarrel has been going on for many years, which will be brought out by the evidence later on.

As to the specific trade-mark, administrative procedure, that has been going on at least three or four years, and the others have been going on for years.

I would like to say to the Court that in none of the cases which are cited by Mr. Matthews there was any mention made of this Treaty or of treaty rights and also we will show by Mr. Ostroff that one of those cases would probably be interpreted differently by us, and another one, there was a writ of certiorari granted, and then I want to finally say that whatever the local laws are this Treaty is supreme over everything else now. Now, Mr. Ostroff would like to say something.

Mr. Matthews: I overlooked mentioning the Treaty question, Your Honor. That Treaty does not supersede the law that Mexico has, as to the bringing of actions and the determination of trade-mark rights. It says that they would be recognized, but it doesn't say that they would be recognized even though the fellow has been adjudicated

out of his trade-mark in a suit that he brought himself. Of course, that would be recognized; it would be recognized generally anyway without any treaty, but when you go in there and fight it out in Court and sustain the validity of it, why then, you cannot relitigate over it every time [fol. 52] somebody makes a treaty about it. They didn't have the rights in Mexico, and they have already litigated the question and had it determined adversely when the Treaty went into effect or sometime after that; I don't know when the Treaty went into effect. We have one dated 1927, and they have one in 1931. In fact, it was promulgated in 1927, but when it was signed, if it was ever signed in Mexico, I don't personally know.

The Court: Counsel, I would like to hear from you to start with on the question of the jurisdiction of these Court-.

STATEMENT ON BEHALF OF PLAINTIFF ON THE QUESTION OF JURISDICTION

Mr. Ostroff: Yes, sir. If the Court please, there is a case, decided in 1912 in New York State, and I am citing that case first; maybe after hearing that, you won't want to hear anything further, and we won't have to go into the others. There is a famous clock works case, called The Western Clock Manufacturing Company. There was an American in Mexico City by the name of Smith. Mr. Smith conceived the grand idea of making Big Ben clocks in Mexico City for distribution in Mexico, and he neglected to get permission from the Western Clock Manufacturing Company to use the name Big Ben; they owned the name Big Ben. Now, Big Ben is not even a family name. Litigation was brought in New York against Mr. Smith, and the litigation is cited in 2 Trade-mark Reports 522. Not only did the Court entertain jurisdiction against Mr. Smith, who was a transient to New York, not even a resident of New York, but they granted an injunction against Mr. Smith, stating that he would be restrained from unfair competition.

[fol. 53] The Court: Where?

Mr. Ostroff: In Mexico, and he was directed by the Court to cancel his registration of his trade-mark in Mexico.

The Court: And he was a Mexican citizen?

Mr. Ostroff: No, sir; he was an American citizen.

The Court: And he lived in the United States?

Mr. Ostroff: He lived in Mexico.

The Court: He lived in Mexico.

Mr. Ostroff: And he was in New York transiently, and we have here a duly authenticated copy of that decree, if Your Honor please, if you wish to examine it, because trade-mark reports are not very——

The Court: I was going to ask you what Court was that.

Mr. Ostroff: The Supreme Court of New York.

[fol. 54] The Court: Sir?

Mr. Ostroff: The Supreme Court of New York. It was a State Court, not even a Federal Court, and they entertained jurisdiction, and the misuse of the name Big Ben was immediately terminated.

Mr. Matthews: Of course, if the Court please, the Supreme Court of New York is not the Supreme Appellate Court.

The Court: I understand that.

Mr. Ostroff: I think every one understands that.

The Court: I think that it is a District Court. It is a District Court, isn't it, the Supreme Court of New York?

Mr. Ostroff: It has the same jurisdiction as a District Court in the United States, yes, sir.

Now, the fact that the res is beyond the jurisdiction of the Court does not take away jurisdiction, and I would like to answer the Vacuum Oil Company case, because in our correspondence—a lot of this case was prepared by correspondences between Mr. Maverick and me, and Mr. Maverick's office turned up the same case that Counsel has just read, and turned up that decision, but apparently Mr. [fol. 55] Maverick's office, with due respect to him as a busy man, neglected to run that case down, and that same case, if I may read, sir, the Vacuum Oil Company versus Eagle Oil Company, originally in 122 Fed. 105, was subsequently decided in 154 Fed., page 867, at page 867 on June 18, 1907, and then the Court said: "It is not founded upon any foreign statute, nor has such been pleaded, nor does it make any difference whether the complainant's trade-marks are valid in Germany or not. The presumption is that the law in the foreign countries where any part

of the fraudulent business was carried on is the same as our own, and that fraudulent acts are unlawful there as here." A judgment was decreed in favor of the Plaintiff in the subsequent case when re-argued, and certiorari was denied by the United States Supreme Court, and the Court upheld the subsequent decision.

Then, later, at page 874, the Court says further: "This unfair competition has inflicted injury upon the complainant's business in this Country by diminishing, or tending to diminish, its foreign trade."

The Court also said that the fact that the subject matter of the suit is situated in a foreign Country will not deprive a Court of equity of the United States of jurisdiction to grant relief against fraud, with reference to such subject matter by Defendants who are within the Court's jurisdiction. That is the Vacuum Oil Company case which was just cited by Counsel.

On this question of comity, we, of course, could make a long argument, on this point, and take an hour or two of the Court's time, but I assume the Court wants to hear preliminarily some of the points, to see whether or not we [fol. 56] can get into the case and hear the evidence? I feel that a lot of this is really a matter for affirmative defense, and not for legal argument.

The Court: Well, that is true, as to the last proposition.

Mr. Ostroff: Now, on the question of comity, Article IV, Section I of the Constitution of the United States, gives full faith and credit to the law of the States. It does not have reference to the laws of foreign Countries. Comity is extended, and that is all. There are several well known exceptions to comity. There are three very strong exceptions. One of them is that if the decision of the foreign jurisdiction contravenes public policy; if it is against the morals of its own laws, and the morals of its own community, this Court will disregard the decree of the foreign jurisdiction and hear the case on the merits all over again. If a palpable injustice or injury is done is a second exception, and the Courts almost take judicial notice of the fact that anybody's use of the name Bulova, other than by the Bulova firm, or the Bulova family, certainly inflicts an injustice and injury on the Bulova family and on the Bulova firm. Again, if it violates good morals, and that point

does not have to be argued because when the testimony is developed, and the manner in which these Bulovas are created down there has been touched upon by Mr. Maverick will certainly make its own mark as to whether or not it is moral or immoral.

Now, those exceptions are mentioned in the case of Herron versus Passailaigue, 110 Southern, 539, which is a Florida case, by the way.

[fol. 57] In this case of Hilton versus Guyot, 159 U. S., which is a land-mark in the law, the case does not say merely what Counsel said, but it says a lot more, and it also talks about the exceptions to the comity that is given to decrees of foreign jurisdiction. "The comity of our Nation does not require us to give conclusive effect to the judgments of the Courts of France; and that ground is, the want of reciprocity, on the part of France, as to the effect to be given to the judgments of this and other foreign countries." And it also says, "In Mexico, the system of reciprocity has been adopted by the code of 1884, as the governing principle," but when an action is brought in a Court of this Country, by a citizen of a foreign country against a citizen of our Country to recover a sum of money, then they go into the matter to see just how far the other Court went in considering all of the points of justice in the case.

Now, Judge Goodrich was quite an authority on Conflict of Laws, and who sits on our Court — Appeals in the Third Circuit.

Judge Goodrich in his work on "Conflict of Laws," the citation being at page 538, 2nd Edition, under the heading "Defenses to Claim on Foreign Judgment, Public Policy of Forum," says: "As with other rights acquired under foreign law, a foreign judgment may be denied local recognition or enforcement because local public policy would thereby be offended." Further at page 539, it is said: "An attack upon enforcement of a foreign judgment because against local public policy, might, it seems, be based either (1) upon the nature of the proceedings in which the judgment was rendered, or (2) the nature of the claim upon which the judgment was given."

[fol. 58] Now, Mr. Maverick has touched upon the point that we do not merely rely on the title to the trade-mark,

and we do not merely rely on treaty rights, but we rely even more than on those on the question of unfair competition.

The Court: Where are these acts of unfair competition alleged to have occurred, in Mexico alone or entirely outside of the United States?

Mr. Ostroff: Not entirely outside of the United States, but even if outside entirely of the United States——

The Court: That is not answering the question.

Mr. Ostroff: I beg your pardon.

The Court: What are your allegations as to the acts?

Mr. Ostroff: Our allegations say that they reached beyond the United States.

The Court: Well, do you expect to prove unfair competition in the United States?

Mr. Ostroff: We expect to prove that there is unfair competition with our products in the United States and outside of the United States.

[fol. 59] The Court: You mean to say that you charge the Defendants, and expect to prove that the Defendants committed acts within the United States which resulted in unfair competition?

Mr. Ostroff: Yes, sir.

The Court: Affirmative acts done in the United States?

Mr. Ostroff: Affirmative acts, yes, sir, Mr. Maverick has already stated that, and I am stating it too, yes, sir.

The Court: Well, is it merely the fact that he is purchasing some watches and cases within the United States?

Mr. Ostroff: Yes, sir.

The Court: But not any acts done within the United States with respect to sale of those watches?

Mr. Ostroff: Well, he has sold to United States citizens, who have come back to the United States, and who have brought their watches to us.

The Court: Well, they were acts done or committed in Mexico, were they not?

[fol. 60] Mr. Ostroff: Well, the actually sales took place in Mexico.

The Court: Now, do you have any authority, United States Supreme Court, or a Circuit Court, which you think is directly in point on your contention, that this Court has jurisdiction?

Mr. Ostroff: Yes, sir, we have several of those cases. I have just read the case of the Vacuum Oil Company, and all of those facts took place in Germany, and none of them took place in the United States.

The Court: Did you give that citation?

Mr. Ostroff: I will read that citation again; it was originally reported in 122 Fed. at page 105, but then the case was re-heard and re-argued later, and was decided in 154 Fed., page 867, and certiorari was applied for to the United States Supreme Court and was refused; the United States Supreme Court refused to hear the case at 214 U. S., 515.

Then, the case went back for the determination of the question of damages and other loose ends, and it was again affirmed at 162 Fed., 671. The Vacuum Oil Company case was pretty well threshed out, and none of those acts took place in the United States.

Mr. Matthews: Your Honor, may I make a statement about that case?

The Court: Yes.

[fol. 61] Mr. Matthews: That case is a suit between two American oil companies, the Lion Oil Company and the Vacuum Oil Company, both of them doing business and competing in the United States with reference to oil products. They held that everything was done in the United States with reference to this infringing article in its sale, except the actual stamping of the name on it, after it got into Germany, and that they were in competition in the United States, and were competing with each other, and competing internationally.

Now, of course, in our case—I think that they alleged to the contrary but we expect to prove, and will introduce evidence to show that the Defendant in this case has never at any time sold any watch bearing the name Bulova in the United States, or for export, or competed with these people at all.

The Court: I will tell you what I better do——

Mr. Matthews: So, those cases are easily distinguishable.

The Court: I expect that I had better hear the case and pass on the question of jurisdiction later.

Mr. Ostroff: I would like to give you one more case.

The Court: Well, I would like to have all of the authorities, Counsel. Suppose you do this, have a list of them prepared and hand them to my secretary during the noon hour?

[fol. 62] Mr. Ostroff: I will, sir.

The Court: Have a list of all of your authorities on which you rely on the question of jurisdiction, and give them to my secretary during the noon hour, or leave them there in the office.

Mr. Ostroff: I will be glad to do that.

The Court: All right. Gentlemen, we will now take a recess for fifteen minutes.

(Whereupon, a short recess was had.)

Harry D. Henshel, was thereupon called as a witness on behalf of the Plaintiff, being duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Maverick:

Q. State your name, please?

A. Harry D. Henshel.

Q. Where do you live, Mr. Henshel?

A. New York City, 45 West 54th Street.

Q. And what is your present business?

A. I am vice-president, secretary and director of the Bulova Watch Company.

Q. How long have you been with the Bulova Watch Company?

A. About thirty-three years, sir.

[fol. 63] Q. Was that in—what year?

A. 1917, I believe.

Q. 1917?

A. It was not under that name at that time, Mr. Maverick.

Q. Previous to that, what business were you in?

A. I was in the advertising business.

Q. When you became employed by the Bulova Watch Company, what was your principal business?

A. I had an advertising agency business in New York.

Q. Did you do business with Bulova before you went with them?

A. Yes, sir, for several years before.

Q. What were your duties after you became connected with the Bulova Watch Company; what were your principal duties?

A. I handled mostly the advertising and selling.

Q. Are you acquainted with the Bulova family?

A. Yes, sir; I am a member of the family.

Q. And did you marry one of the Bulovas?

A. Yes, sir.

Q. Who was this lady?

A. My wife's name was Emily Bulova.

Q. And who was she the daughter of?

A. The daughter of Joseph Bulova, the founder of the Company.

Q. And the sister of whom?

A. The sister of Arde, the president and the chairman of the Board.

Q. I would like for you now to give me in more or less narrative form, after a few questions, some history of the Bulova business in reference to watches, some of the background, and where did Mr. Bulova come from.

[fol. 64] A. Mr. Bulova was born in Bohemia; now called Czechoslovakia, in the area of Prague, and he came to this Country in the '60's, in the latter part of 1860, as a jeweler, manufacturing jeweler; he was a jeweler by trade.

Q. Have you visited and served in Europe and places like that?

A. Yes, sir, I have.

Q. Please state what period of time that was.

A. Well, Mr. Bulova started in business for himself in 1875, under the name of Joseph Bulova, his own name, and he owned a jewelry shop in the City of New York, and he conducted it under his own name, and his daughter and son came into the business as they grew up, and they incorporated under the name of J. Bulova Company, with Mr. Bulova, my present wife, and Mr. Arde Bulova, in 1911, under the name of J. E. Bulova Company, a Corporation.

Q. During that period of time, did you travel on business and pleasure in foreign countries?

A. Yes, beginning with 1927.

Q. Where did you go to?

A. Switzerland and other parts of Europe.

Q. Where were you during the World War?

A. I was in the Service of the United States Air Force and the United States Ground Force from June of 1942 until the fall of 1945, thirty-nine months.

Q. All of four years?

A. Yes.

Q. What rank did you hold?

A. Lieutenant Colonel.

Q. With reference to the name of Bulova, have you a wide knowledge of names similar to Bulova?

A. Well, there is only one family that I know of, and there are only three spellings that I know of. The original [fol. 65] spelling was, and there is a well known firm of attorneys in New York who spell it B-u-l-l-o-w-a, and they are second cousins of the present generation. There was another spelling B-u-l-o-w-a, which a brother-in-law of mine had; he was also a distant relative and married my sister-in-law, and he is now dead. Those are the only three spellings that I know of, and the only family that I know of, and there are one or two of that family in Chicago, and a few in New York. As far as I know, that is the only family by that name under those three spellings in the United States.

Q. Do you know of anybody in the World spells their name B-u-l-o-v-a other than the owner of the Bulova Watch Company?

A. Nobody else except relatives of the present family.

Q. Well, do they spell it with a "v" or a "w"?

A. Well, they spell it with a "v", the direct relatives; the other relatives are two or three generations away.

Q. Have there been any other persons in the watch business besides the particular family of which you are a member?

A. Never.

Q. When you first went with the Company, you say that you were in charge of advertising?

A. Yes.

Q. I would like for you to show an example of the first type of advertising that you had, when you became a part

of the Bulova Watch Company; have you some of that type that you can explain?

A. I have some when we started to doing national advertising, but that was in 1922, but from the middle teens, until 1922, our advertising principally was in the [fol. 66] trade papers, and mail advertising of all sorts, but, beginning with 1922, I have a sample here of advertising in the Saturday Evening Post and from then on.

Q. May I ask him to step down and get them so that he can show them?

The Court: Yes.

Mr. Maverick:

Q. Please show as well as you know the first type of national advertising, and when you do so, speak loud enough so the Reporter can hear you, and don't say this paper and that paper, but say this shows——

A. I have before me a photostat of the first national advertising that I could locate in the Saturday Evening Post, of December 16, 1922, in which we have a full page advertisement, under the then name of J. Bulova Company.

The Court: Now, Mr. Maverick, are these to be offered in evidence?

Mr. Maverick: I think that we would like to offer them in evidence——

The Court: You had better have them identified, each of these that you expect to introduce in evidence, and have the witness to refer to them by the exhibit number.

[fol. 67] Mr. Maverick: I think that that would be better, and I would like to offer that as an exhibit, that advertising, and have it numbered by the Reporter. Let's have all of these numbered at one time, so that they will have a number on them.

(Whereupon certain instruments were thereupon marked for the purpose of identification Plaintiff's Exhibits 1 through 8.)

Mr. Maverick: Now, we offer Exhibits 1 to 8, being advertisements of the Bulova Watch Company and its predecessors, and Colonel, will you now proceed with Exhibit No. 1, and in your references, refer to the date, and

the character or the type of the advertisement, so that it will be fully identified.

A. I have already explained Exhibit No. 1.

Q. All right, but do it over again, because it doesn't have the number.

A. Well, I have before me now Exhibit No. 1, a photostat of the front page of the Saturday Evening Post, dated December 16, 1922, and a photostat of the full page ad on page 122 of that issue, dated December 16, 1922, showing Bulova watches, under the name of J. Bulova Company, the then name of our Company.

I now have a photostat of the front cover of the Saturday Evening Post, dated April 7, 1923, and a full page ad of Bulova watches on page 140 of that issue of April 7, 1923, showing the name of J. Bulova Company.

[fol. 68] The Court: Is that Exhibit No. 2?

A. Yes, sir, Exhibit No. 2, yes, sir.

Mr. Maverick: Say the Exhibit number.

A. I have now Exhibit 3, showing the front cover, which is a photostat, of the Saturday Evening Post, dated December 15, 1923, and a full page ad, with a part of—one half of what was undoubtedly a double-page ad, on page 113 and probably on page 112—I may run into it later; anyhow, it is one-half, and the name of the Company was the Bulova Watch Company, because sometime in 1923, we changed the name of the Company from the J. Bulova Company, to the Bulova Watch Company.

Q. Now, for the purpose of the Record, state what that advertisement has on it; what does it show?

A. Bulova watches.

Q. Of various types of watches?

A. Various types of watches and various parts.

Q. Ladies' watches and men's watches?

A. Ladies' watches and men's watches both.

Q. Are you familiar with the circulation of the Saturday Evening Post at that time—what year was that?

A. December 1923.

Q. Do you, by memory, remember approximately what the circulation of it was at that time?

A. No, I don't, but this cost around $11,000.00 an issue,

and it must have been a tremendous circulation. We, of course, could get the exact figures from the books.

[fol. 69] Q. The earliest cost about $11,000.00?

A. Yes, sir, per page.

Q. Go ahead with those exhibits.

A. I have before me now, Exhibit No. 4, being a part of the upper cover of the Saturday Evening Post, showing the date of issue as being April 19, 1924, and showing a full page ad in that issue, as it appeared on page 160, under the name of the Bulova Watch Company, showing ladies' and men's watches, under the name of the Bulova Watch Company, dated April 19, 1924.

The Court: Is that Exhibit No. 4?

A. Yes, sir, this is Exhibit No. 4.

Now I have Exhibit No. 4a showing two pages, copy of the Saturday Evening Post, being photostats, of course, of the issue of June 6, 1925; the page number is not indicated, but they are coupled under the name of the Bulova Wach Company, two full pages, showing ladies' and men's watches, this being marked Exhibit No. 4a.

I have Exhibit No. 5, showing two pages from the Saturday Evening Post, of different dates; one is dated June 26, 1926, and one is dated July 26, 1926, being pages 167 and pages 115, respectively, of those issues, showing men's and ladies' watches, under the name of the Bulova Watch Company.

I also have before me Exhibit No. 6, showing two pages of the Saturday Evening Post, one bears date of November 13, 1926, being page 118, showing ladies' and men's watches, and the other date is not clear here; I don't find it, but it is page 61, also showing Bulova watches, ladies' and men's watches, evidently about the same period; the works seem to be similar.

[fol. 70] I have now before me Exhibit No. 6a, showing pages in the Saturday Evening Post, one being dated July 30, 1927, showing men's and ladies' watches, under the name of Bulova, and the other on the same photostat, shows page 145, but it doesn't give the date. It evidently appeared about the same period.

I have here Exhibit No. 7 in the American Magazine,

dated July 1928 showing a full page ad of men's and ladies' watches under the name of Bulova Watch Company.

I also have here Exhibit No. 8, showing a full page, one full page, in the Saturday Evening Post, dated November 16, 1929, being on page 148, and the other, the legend at the bottom would indicate that it would appear in the June issue of the American, the June issue of the American Magazine, probably for the year of 1929—yes, June 1929.

Mr. Maverick:

Q. Did you also advertise in newspapers and other periodicals?

A. Well, our policy has always been, and we advertise not only in magazines, but when radio came in, in the latter part of the '20's, but we provided our jewelers with advertising matters and car cards, and they spent many more times the money that we did in their local communities, in order to channel the tremendous amount of advertising which we did into their individual stores.

Q. You also have window displays?

A. Window displays, and all kinds of advertising; we supply postcards, that they would buy and mail to their customers; millions and millions of postcards would go out each year under the name of the jeweler himself, and [fol. 71] what we spent was multiplied many times by what the jewelers spent on Bulova watches throughout the country.

Q. How much did you originally spend on advertising with Bulova, say about 1922; I would like for you first to give how much was spent the first year that you have a record of, and then the last year, and then I would like for you to offer a table on that, if you have it, and I would like to offer that as an exhibit, Your Honor, a table, showing the amount of advertising.

A. Well, Mr. Maverick, what I have here are memoranda, showing what we actually spent, from 1929 on, when we were listed on the New York Stock Exchange, and our books showed advertising expenditure, which was separated; I could probably estimate it as a percentage, what we spent prior to that time, but——

Q. You may estimate it, because you feel that you can remember approximately the amount, don't you?

A. Yes, sir. Beginning with 1929, we spent from January 1st of 1929, that full current year, we spent $1,595,000.00 for all kinds of advertising.

Q. All right. Now, just give 1950 and skip up.

A. 1949, the last full year, it was $6,285,000.00.

Q. How much do you estimate was spent around about 1918?

A. 1918?

Q. Well, just take some year in there.

A. Our advertising was confined entirely to the trade.

Q. When did you start national advertising?

A. In 1922, and I would say that we spent in 1922 about $150,000.00.

Q. Was there an increase in advertising at all times?

[fol. 72] A. Well, in the period from 1922 to 1930, if my estimate of $150,000.00 for the year of 1922 is correct, we multiplied it by ten in eight years, because we had $1,600,000.00 almost, or $1,595,251.00 was the actual amount spent in 1929.

Q. Now, what was it in 1930?

A. In 1930, the next year, it was $1,635,233.00; that is selling and advertising; that included selling expenses; if you want me to exclude other than advertising, we were still over a million dollars in both years, in 1929 and in 1930, or 1930 and 1931; we were over a million dollars exclusively for advertising, without any selling expense in connection with the advertising.

Q. How much do you estimate that the individual jewelers spent in comparison to the amount that was spent by Bulova?

A. Well, I would say that we get at least five times as much in local newspaper advertising, in local radio advertising, tying in the amount of advertising we do; in our special features, and in their daily advertising and their weekly advertising, in order to channel into their store the tremendous amount of advertising we do nationally and in the large City newspaper advertisements, which in recent years we have been adding to our radio, television and magazine advertising.

). I would like to ask you now about radio advertising. ase state when you began radio advertising.

. Well, we have evidence here from our annual reports our own sales books that we started not later than 8, and perhaps earlier than that, but we have actual es of stations here which we started using in 1928.

73] Q. Well, will you give the names of some of the thousand watt stations? Did you advertise in Border ons, that is, stations on the Border between the United es and Mexico, and also in Texas, and what was the r?

I can refresh my memory from a sales portfolio that ed in 1930; listing the stations throughout the Coun- Do you want me to give you the Border stations?

I would like for you to give the Border states with o and the power of the station, if you have it?

Well, I have listed here Dallas, KRLD, which in ary, 1930, we show that we were using. I have on; I really don't know when they went to 50,000 ; perhaps when Mr. arren gets on the stand he can u. In Houston, we have KPRC that we were using t time, and in San Antonio, KTSA, and El Paso, H; this is February of 1930, and San Francisco, ; in Los Angeles KFWB and in Los Angeles KNX.

I have a letter from our Advertising Agency who d up their own records, and they tell us, and refresh- memory, because I was familiar with it at the time, rse, I am listing the 50,000 watt stations in the State ing Mexico, which have continued to carry Bulova les since the year indicated, and they are:

Z, Los Angeles, 1928;
D, Dallas, 1928;
A, Dallas, 1929;
P, Fort Worth, 1929;
WOAI, San Antonio, 1929;
, Los Angeles, 1930;
C, Houston, 1930;

and the following stations for an average of some fifteen years:

KRIS in Corpus Christi;
KTRA in Houston;
KTSN in El Paso;
KOY in Phoenix;
KTUC in Tucson;
KSFD in San Diego.

Q. Has that advertising over the radio continued with the Bulova Watch Company in bigger or smaller volume?

A. In ever-increasing quantity; not always with the same stations; we are always improving the strength of the station and the coverage of our stations, and are spending more and more money each year in advertising our products over the radio and latterly on the television.

Q. I would like to offer as an exhibit—but first, let me see; is that something that will be self-explanatory, if it goes in evidence?

A. Well, it covers information for my own recollection, and I think that it might be better if I testified from my [fol. 75] knowledge from notes which I took from my books before I left New York.

Q. Colonel, I would like for you to state the general annual cost of advertising and the general character of advertising, in sort of a summary and use that as a matter of refreshing your memory.

A. Well, I will give you a detail for the year ending March 31, 1949, which is the last full year on our books. We spent total advertising $6,284,937.00, of which radio and television was $3,365,216.00, and then we had contributions to some of our customers' advertising indicating that they spent a great deal more, of $719,995.00, and we spent in magazines and newspapers $630,689.00. We spent on the item that we call dealers' service, which is folders and car cards and mats and art work of various kinds, which a jeweler uses, and spends his own money on, $427,222.00, and for various other forms of publicity, such as clocks, and sundries, and window displays, and various other things, $529,979.00.

Our advertising department's payroll was $194,202.00. Our advertising in Canada—do you want that figure?

Q. Yes.

A. Our advertising in Canada was $417,634.00. That is our last full year ending March 31, 1949.

Q. All right, Colonel, I would like for you to show some other character of advertising in the way of large folders and books which you furnished to the trade.

A. Well, I have a 1930 book here, and a 1950 book here, and they are twenty years apart.

Q. Now, I would like for you to explain the 1930 book, and in 1930 explain the character of the information that you give the jewelers and also from direct advertising as [fol. 76] to the places where Bulova does business and where they also have factories, and you can explain that by using this book to refresh your memory, because you have first knowledge.

A. I don't need to refresh my memory on our factories. We have a movement factory in Woodside, Long Island, where, last year, we made over a million movements, and we have a wholly owned movement factory in Bienne, Switzerland, where we make an equivalent number.

Q. How long have you had it in Switzerland?

A. We have had it in Switzerland—oh, we originally imported movements from Switzerland when Mr. Joseph Bulova ran the business back in the early teens and late '08 and '09 and so on, and we had our own factory when I visited there in 1927. The first time I visited Switzerland, we had our own factory there at that time, wholly owned, so, somewhere between that time——

Q. Have you ever advertised the Bulova watch as strictly an American watch, or have you advertised it as a watch?

A. We have always advertised it as a Bulova watch; we show in all of our reports, all of the annual reports, which have been published since 1929 and 1930, we show pictures of our Switzerland factory, and we show pictures of our American factories and we sell them as Bulova watches; we make no distinction as to where they come from, except that according to the law those of our movements, which are made in Switzerland, bear the words "Swiss" on the dial at the very bottom under the figure 6.

All of the other movements, which do not have the word "Swiss" on the dial were made in our own American factory at Woodside, Long Island.

[fol. 77] Q. All right. Now, you have given Woodside.

A. And then we make our own cases; we are probably the only Company in the World that makes a complete watch. We make all of our own cases at Providence, Rhode Island, and we have a satellite case factory at Sag Harbor, Long Island, and we also have a satellite movement factory at Waltham, Massachusetts.

Q. What does the word "satellite" mean?

A. I learned that in the Air Force. It is a subsidiary factory procedure. We make the parts in Woodside and assemble in Waltham some of those parts, whereas in Woodside, we make all of the parts and all of the assembling, and the same is true of our cases in Sag Harbor, Long Island; some of the parts that we make in Providence are also assembled in Sag Harbor, but in Providence we make complete cases, and then in New York City and in Radio City we have our headquarters.

We also have a Company in Canada, which is now beginning to make some of its own cases, but we are using movements coming directly from our Switzerland plant, which go directly to Canada, and it is a wholly owned Company in Canada entirely. Now, will you ask some other question; I don't believe that I got all of your question.

Q. The question that I asked you was the character of advertising that you did through the instrumentality of that publication, the character of advertising.

A. I have in this book here showing copies of advertising which appeared during that period, for example, a sample of the advertising which was to appear in the Saturday Evening Post, and here are reprints from it, dated December 14, 1929, a double-page spread in the [fol. 78] Saturday Evening Post, and the American Magazine, dated December '29, and the Saturday Evening Post, dated January 25, 1930, and the Saturday Evening Post, dated February 22, 1930, and here is a sketch of an ad to appear shortly thereafter, not otherwise identified, and here is a map which shows the radio stations which we were using that year all over the United States.

Q. Did you cover the United States?

A. Covered it quite thoroughly, all the way from Coast to Coast and from Canada down to the Mexican Border.

Q. Were some of the radio stations you have of sufficient strength to cover the entire Western Hemisphere?

Mr. Barrett: Now, if the Court please, we are going to object to that question as one calling for a conclusion of the witness, and based on hearsay.

Mr. Maverick: Were some 50,000 watt——

Mr. Barrett: Not having been shown that this witness is qualified to state the receptive area of a radio station, and furthermore, because the question is too general.

The Court: Ask him if he knows.

A. Well, Mr. Maverick, perhaps you didn't know, but I was the manager of a radio station in New York, and am quite familiar with radio operation.

Q. An expert?

[fol. 79] A. Perhaps I could qualify; I could produce maps showing just how far our radio station in New York went throughout the East.

Q. How far did the New York station go?

A. I was operating a station of only 5000 watts, and we went 150 to 200 miles in our coverage, and with a 50,000 watt station in Los Angeles, and a 50,000 watt station in San Antonio, we can go many many hundreds of miles deep into Mexico, beyond question.

Q. All right; go right ahead.

Mr. Barrett: We wish to object to that as mere conclusions, and a guess, and speculation on the part of the witness.

The Court: I overrule the objection.

Mr. Barrett: Note our exception; and self-serving.

A. I have here copies of newspaper mats, which we furnished jewelers for their own use, tying in with our advertising, a whole book full of them, of different sizes, and different types of advertising, context of various kinds, which jewelers would run in their home cities, baseball and popularity contests; this was in 1930; and the golfers, publicity contests, clock contests, and all of this was designed

to give the local jewelers something to advertise with reference to Bulova watches.

Q. Concerning the localization of your program, and the puzzle contests and the popularity contests, and the local advertising, did the local men effectuate the purpose for which you intended them?

[fol. 80] A. Yes; but there are two men here who could probably give you more detail on that.

Q. All right, sir.

A. These, however are reprints of the type of material which was available to them, and these gentlemen can tell you how they were used throughout the Country, and in the Texas area and the Border States.

Mr. Maverick: Your Honor, I would like to offer that in evidence as Exhibit No. 9.

(The instrument was thereupon marked for the purpose of identification Plaintiff's Exhibit No. 9.)

Mr. Barrett: May I see that just a moment? If the Court please, we want to object to this big document, because in the first place, it merely encumbers the Record, and it is cumulative of all the testimony of the witness with reference to advertising, and it has not been properly identified: furthermore, because it is immaterial and irrelevant to any controlling issue in this case.

Mr. Maverick: In what way is it irrelevant?

The Court: I will overrule the objection.

Mr. Barrett: Yes.

[fol. 81] A. I did not identify the cover of it. The cover says, "Going Forward with Bulova in 1930," and it is marked Exhibit No. 9.

Mr. Maverick: Your Honor, I want to offer in evidence one more just for 1949.

A. 1950.

Q. 1950. I am not going to offer the others in-between, because we do not want to encumber the Record. I now offer Plaintiff's Exhibit No. 10, which has on the front of the book the word "Bulova," and underneath it there is the dial of a watch, and underneath that the words, "America's Greatest Watch Value."

Mr. Barrett: We won't object to the word "American or America's" but we want to object to all of the rest of it as being repetitious, and unnecessarily encumbering the Record.

The Court: I will overrule the objection.

Mr. Barrett: We object for the same reasons.

Mr. Maverick: Colonel, will you be kind enough to state very briefly the changes and embellishments that have occurred in that report there?

[fol. 82] A. We show on the front cover a picture of Mr. Joseph Bulova, showing that he lived from 1851 to 1935, and also pictures of our factories, at Woodside, Long Island, watch movements, and Providence, Rhode Island, watch cases, and Bienne, Switzerland, watch movements, and Waltham, Massachusetts, watch assembly, and also a picture of Valley Stream, Long Island, New York, watch parts, and here is Sag Harbor, Long Island, New York, watch cases and parts, and Toronto, Canada, watch cases.

There we have a review of the advertising schedule for 1950, radio, television, magazines and newspapers, showing that we reached radio homes in the country 365 days in the year. Here is a list of the radio stations throughout the Country, and here is a map showing each of the prineipal cities of the Country, and how these radio stations overlap each other, insuring that we get radio coverage in every hamlet in America, and here is newspaper advertising, and a long list of radio stations, showing which are the 50,000 watt stations, which are our principal sources of radio advertising, and this shows copies of television material which can be used by jeweler.

Q. When did you start using television?

A. I believe that Mr. Warren can tell you better on that, but, as soon as television came in. I think that we are the first commercial users of television in America.

Q. Was it stated in magazines that you were the first commercial users?

A. I am not sure on that, Mr. Maverick, but just as quickly as it was available to us, we grabbed the opportunity of using it.

Here we have material like colored movies available for advertising Bulova watches by local jewelers; trade and sales which jewelers can use certain times in the year

[fol. 83] to promote their business, and various other material, window displays, postcards showing Bulova watches, which jewelers mail to their customers; lucky graduate contests, gift folders, car cards, and there are clocks which are used for advertising purposes, which jewelers place in barber shops and various other places where they can get traffic; here are counter pads which can be used in jewelry stores with the word Bulova on them, and the tieup with the Academy Award, where perhaps $400,000.00 is being spent to tie into the Moving Picture Oscar, which was announced about a month ago; that is the Oscar Award (indicating).

Q. What did you say that was?

A. This is a copy of the Oscar Award, which was given to Frederick Crawford and I think Joan Fontaine, and some of the other actors, scenario writers and directors, and the direct tie-up of Bulova watches and the Moving Picture Industry. Here is newspaper and radio and television material of all kinds.

Q. I think that is sufficient to explain that that has been embellished and brought up to date. Was a book of that character put out each year from the beginning up to and including this year?

A. Yes; we have been putting out those booklets for our salesmen to use and mailing to each of our customers and prospects for at least twenty-five and perhaps thirty years, each year.

Q. The beginning of sending these to customers and to jewelers began at least twenty-five or thirty years ago?

A. Well, I have similar material, but in somewhat different form; I have here the ones which we sent to customers, and these larger and more elaborate ones were the ones that were carried by our salesmen, but I have here [fol. 84] a few samples of the ones that we mailed once or more often per year to all of our customers and prospects throughout the Country.

Q. Explain some of those books to show what was done; I would like to ask was it sent generally to the trade and to prospective customers as well?

A. Yes, sir, to many thousands. Mr. Warren can probably give you more detailed figures on the use.

Q. Well, did the distribution——

A. There was complete distribution to the jewelry trade.

Q. All right. Describe some of those books, will you, briefly.

A. Well, here is a book that I have before me, if you want to put it in evidence.

Mr. Barrett: If the Court please, we do not want to unnecessarily encumber the Record, if we can avoid it, and we want to make an objection to further encumbering the Record with these booklets that they say that they mailed to the trade. We do not think that it is material or relevant to any issue in this case.

Mr. Maverick: Your Honor, I am not going to offer that in evidence, but it is certainly relevant in showing the wide spread knowledge of the people and of any individual, including the Defendant of the business of the Plaintiff.

The Court: Objection overruled; go ahead.

A. I can identify this booklet in my hand, because it has a full page—it is a double page rather of the Saturday [fol. 85] Evening Post, dated June 28, 1930, and which we distributed that spring, showing our advertising for the spring issue, and the advertising which was to appear in the June 7th issue. At that time we showed pictures of our Fifth Avenue office, our Providence Plant. I believe that is all that we have here.

Q. How often were those books published?

A. At least once a year.

Q. Were they sometimes published more than that?

A. Yes, sir, sometimes for the—both for the spring and fall seasons.

Q. Were these books in various colors?

A. Various colors, different sizes and colors.

Q. Different sizes and colors?

A. This was all gold; this one is green; I have another one in red, and another one in duller gold, and another one in a shade of pink.

Q. Was that at great expense and artistic effort?

A. Well, this was done at great expense; did you say artistic effort?

Q. Yes.

A. Well, of course, we hired artists and professional writers, and practically all of this was done under the

direction of Mr. Warren, who wrote most of the copy and designed most of this material himself.

Q. Are you familiar with the number of copies that was probably sent to the trade each year?

A. Oh, fifteen or twenty thousand, I will say, of each edition.

Q. Colonel, I would like for you to refer to the annual reports in the matter of sales and other facts, which I would like to ask you some questions about.

A. Well, Mr. Maverick, I have here every annual report since 1930, but we do not publish our sales. The S E C [fol. 86] does not require us to do it, and we prefer not to do it. I have, however, for confidential information, or whatever the Court wishes to use it for, I have our actual sales in every year, as far back as you would wish to check.

Q. Well, naturally, I don't want to ask any questions for any information that you gentlemen don't want to give out.

A. Well, I do have every annual report for my own file. In some cases for twenty years back, issued to the stockholders.

Q. Well, I would like to know the capital as it existed in 1922, and as it existed in 1923.

A. I cannot give you the capital, but I can give you the sales in those years, because I don't think that that is a secret any more.

Q. All right.

A. In 1922, our sales were $1,489,000.00. A short time after that, we spent that much in advertising. That was 1922. Now, do you want some other years?

Q. I would like to have 1933; do you have that?

A. 1933?

Q. Yes.

A. Well, that was a very poor year. It was much less than what we did a few years before that. We ran into the Panic. However, in 1933, we did only $3,340,000.00.

Q. What was it for the year before that?

A. Before that, we had done as much as $9,640,000.00, in the year of 1929.

Q. Has there been a major trend of increase throughout the history of the Company?

A. Yes, sir; we exceeded the $50,000,000.00 mark in the year of 1949. We are the largest Watch Company in the World.

[fol. 87] Q. Well, in your annual reports, did you state where your factories were?

A. Yes, sir; I will quote from the earliest ones that were published and on for whatever years you wish.

Q. Well, take an early annual report.

A. Well, the first one that I have here is March 31, 1930.

Q. And it states what?

A. Our total assets were $8,282,000.00; earned surplus $1,604,000.00. I ought to have some help on how to read an annual report. Well, our total assets were $8,282,000.00, and our total current liabilities were $2,009,000.00.

Q. What year was that?

A. The report is dated March 31, 1930.

Q. Did you state your net assets then?

A. The net assets, $3,477,506.00.

Q. What are the net assets at this time, approximately?

A. Perhaps I ought to read from this document and so on, and maybe you can gather it from that. On one side, as I have already said, the assets were $8,282,000.00; the current liabilities, $2,009,000.00; there was a small mortgage of $45,000.00, which we could not pay off, because they would not take it. We had stock, preferred stock, which later on we bought back, which was carried at $2,750,000.00; our common stock at nine hundred; earned surplus, $1,604,519.00, for the fifteen months ending March 31st, 1930, which was the first full period——

Q. Colonel, what I would like to show is, the comparative statement with 1950, to show the increase.

A. Oh, yes.

Q. Or for 1950, 1949 or 1948, any convenient year.

A. Well, we have it in 1949.

[fol. 88] Q. To show the growth of the Company?

A. Our 1949 annual report shows a total capital stock and surplus of $26,983,247.00 against a figure of $3,477,000.00 twenty years before that—ten times.

Q. Has there been a major increase in the capital assets and sales over that period of years, that is, a major trend—there have been setbacks, of course, but has there been a major trend?

A. Oh, yes.

Q. All right. Now, in those annual reports, does it indicate where Bulova has its factories?

A. Well, our lafest annual report, dated March 31, 1949, shows pictures of our factories in Woodside, Providence, Bienne, Switzerland, Valley Stream, Long Island, Toronto, Canada, Sag Harbor, Long Island, and Waltham, Massachusetts.

Q. Is that included in your prospectus to the Securities Exchange Commission?

A. Oh, yes, and to every one of the stockholders, Mr. Maverick.

Q. And to the public?

A. Yes, sir, to the public.

Q. Did the 1930 report include that same information as to the location of the factories?

A. In our report, and this is a part of our report of March 1930, and it says that two complete units are in operation in the United States, in addition to the plant at Bienne, Switzerland, which was reconstructed in 1928 by the Company, and subsequently enlarged. Practically all of the watch cases used by the Company are manufactured from raw material by our wholly owned subsidiary in Providence, Rhode Island. That is one reference to our factory in Bienne, Switzerland.

[fol. 89] Q. Have you at all times, and I mean by that the Bulova Watch Company, disclosed the ownership of the Swiss factory and other factories, as they were acquired?

A. We not only disclosed them, but we boasted about them, Mr. Maverick. There was no reason why we should hide it; there are only two countries in the World that make watches, and that is Switzerland and America, and we have probably the largest in both Countries, and certainly the largest in this Country, and the largest producers in Switzerland for the United States and Canada. I am not sure whether there are not other larger companies in Switzerland, but by far we do more business than any other Company and probably any other two Companies, so, there is no reason why we should hide our facilities.

Q. Colonel, in how many Countries, roughly speaking, does the Bulova Watch Company do business?

A. Well, it is hard to tell; as far back as I can remember, in the twenties, we were doing business in every Country where we could sell watches, and now wherever they have American dollars. W have a small export department that sells wherever we can get American dollars.

Q. Were some of the watches sold in Countries and sold to agents throughout the World, is that correct?

A. Yes, sir.

Q. And to distributors. Did you, for instance, sell any watches in China?

A. Oh, I remember of selling watches in China for over twenty-five years and probably continuously since then; perhaps spasmodic at times, when they had troubles there.

Q. Colonel, with reference to sales to Latin-America, do you have sales in Latin-America, and throughout Latin-America?

[fol. 90] A. Yes, sir.

Q. I would like to have these marked for identification (exhibiting papers to opposing Counsel). It will not be necessary for the witness to explain them, but I just want to ask him a few questions with reference to them.

(Whereupon, certain instruments were marked for the purpose of identification Plaintiff's Exhibits Nos. 11, 12, 13 and 14).

Mr. Maverick: I offer in evidence as Plaintiff's Exhibit No. 11, an instrument from the Department of Commerce, United States Patent Office, and Exhibit No. 12, an instrument from the Department of Commerce, United States Patent Office, and Exhibit No. 13, an instrument from the Department of Commerce, United States Patent Office, and Exhibit No. 14, an instrument from the Department of Commerce, United States Patent Office. These are self-explanatory, but I would like for you to briefly explain what they are, because I want to ask you a question or two about them. What do they show?

A. Exhibit No. 11, which I have before me, is a certificate of registration to the Bulova Watch Company, dated April 19, 1927, No. 226,889, renewal issued December 30, 1947, to the Bulova Watch Company, a Corporation, of New York, for twenty years from January 5, 1948. Now, on the next page——

The Court: Gentlemen, it is 12 o'clock now. We will recess this case, Gentlemen, until 1:30 this afternoon.

[fol. 91] (Whereupon, at 12 o'clock, a recess was taken until 1:30 o'clock P. M., April 17, 1950.)

1.30 o'clock P. M., April 17, 1950.

(Court met pursuant to the noon recess.)

HARRY D. HENSHEL having been previously sworn, resumed the stand for further direct examination by Mr. Maverick, and further testified as follows:

Q. Colonel, when the testimony was recessed, I had presented you with Plaintiff's Exhibits Nos. 11, 12, 13 and 14, which pertained to the Department of Commerce, United States Patent Office, and will you please explain what these are, very briefly, for the Record?

A. Exhibit No. 11 is a certificate of registration, statement drawing and a certificate of renewal, in the matter of trade-mark, which is dated 26th of January, 1927, and renewed for twenty years from January 5th, 1948. The certificate of registration is No. 226,889, originally registered April 19, 1927, by Bulova. Do you want any more details than that?

Q. That is enough. You need not take up time on the others; thay are self-explanatory. Just state whether they all pertain to the same matter.

A. Yes, sir. The serial number of the next one, of the application of December 17, 1947, is No. 544,537.

Q. All right, the next number.

A. Exhibit No. 13 covers the application dated September 16, 1947, serial number 534,598.

[fol. 92] Plaintiff's Exhibit No. 14 is the application which was filed January 15, 1924, being serial number 190,829, for a period of twenty years, and this is a renewal of the registration from June 3, 1924.

Q. Colonel, are those instruments based on the original certifications, which began back in the early twenties?

A. Yes, sir.

Q. Colonel, are those registrations kept in pursuance to a policy to comply with the law and to keep up at all times with certifications and registrations?

A. Yes, sir.

Q. Is that effort also made in various parts of the World?

A. As far as we can, yes, sir.

Mr. Maverick: I want to introduce for identification some photostatic copies from outside of the United States. These will explain themselves, but you can look at them now; he is going to identify them, what they are (exhibiting papers to Counsel).

Mr. Barrett: Are these foreign records?

Mr. Ostroff: The first one is not.

Mr. Maverick: The first one is not.

Mr. Ostroff: The rest are.

[fol. 93] Mr. Maverick: Yes, the rest are.

Mr. Barrett: If the Court please, we do not believe that these photostatic copies of trade-marks, which are offered in evidence, recorded in various Countries of the World, are properly authenticated; and they are irrelevant and immaterial to any issue in this case. There is no registration shown as having been made in Mexico, and for that purpose, we don't think that they are admissible in this Court, because they have not been properly authenticated and certified by the proper parties.

The Court: I am inclined to think that your objection is good, Counsel.

Mr. Maverick: Your Honor, the reason that I believe that these are good, is because he is the custodian of these records.

The Court: Who is?

Mr. Maverick: This gentlemen here.

The Court: Of the original records?

Mr. Maverick: Yes, sir.

[fol. 94] The Court: Why don't you introduce the originals?

Mr. Barrett: If the Court please, may I ask the witness a question?

The Court: Yes.

Mr. Barrett:

Q. Are you the foreign custodian or official that has charge of the foreign records, as recorded in the offices of these various Governments?

A. I am the secretary of the Corporation, and I have in my possession all of the records of the Company.

Mr. Maverick: Well, have you got these particular records, the originals?

A. I certainly have general knowledge. I know that we have many of the foreign registrations in our safe in New York. I could probably look at them and identify them.

Mr. Barrett: It is our understanding that foreign records may only be shown by a certificate of the proper official of the foreign Country that has custody of the record.

Mr. Maverick: Your Honor, under the strict rules of evidence, I know that you have to have a seal and all of [fol. 95] the foreign official of the Court of Record, the same as you do in our Country, when we get the County Clerk of a Court or Record to certify, but under the more or less relaxed rules of evidence that prevail in the Country, if a person identifies those, instead of taking out all of the official records from the safe of the Bulova Watch Company, they take photostats, and the only purpose in this is to show that they are attempting to make registration throughout the Country.

The Court: You better get your originals. I will sustain the objection.

Mr. Maverick: All right.

By Mr. Maverick:

Q. Colonel, is there a general effort to make registrations in all of the Countries of the World?

A. Yes, sir there is.

Q. Has this been done, or attempted to be done, as far as you know, in all of the Countries?

Mr. Barrett: Now, if the Court please, he is attempting to get in here what the court has ruled on.

The Court: I will sustain the objection.

Mr. Maverick:

Q. Have you received in the past few years, in the usual course of correspondence, as the secretary-treasurer of

[fol. 96] the Bulova Watch Company, complaints with reference to Bulovas, which turned out to be other than genuine, and not Bulova watches?

A. Yes, sir.

Mr. Barrett: If the Court please, we want to object to that question, because it is based on hearsay, as to who made the complaint; parties, if any, who made them, are not before the Court, and it is based entirely on hearsay, insofar as this Court is concerned, what other parties may have said to the Bulova Watch Company about watches.

Mr. Maverick: Written complaints.

The Court: Do you have those original letters here?

Mr. Maverick: Your Honor, it is not hearsay, because—we have the original letters.

The Court: Sir?

Mr. Maverick: We have the original letters, which the Bulova Company has received, in the usual course of correspondence complaining about infringement, and about faking of the Bulova name and so on, which they have investigated. Well, now, it has been held, and there is no doubt about this—I didn't feel much like arguing that point before this, but it has been held time after time that [fol. 97] when correspondence comes in the usual course of correspondence, and it is replied to, that that is a matter which can be introduced in Court.

The Court: I think it would depend upon the circumstances, Counsel, about which it relates, whether that rule would apply in this case or not.

Mr. Maverick: Well, the circumstances to which it relates is that *that* every Company receives certain complaints, and if they have a certain number of complaints, why, it is in the usual course of business, and therefore a part of their business.

The Court: You had better find some authority to support your theory in that regard.

Mr. Maverick: Your Honor, if we have the original letters that they received and replied to, and which appear on their face to be original letters, is it the ruling of the Court that——

The Court: What do you expect to prove by these letters?

Mr. Maverick: Well, now, we expect to prove something that might at this time seem to be far afield, but we are charged with laches, not having attempted in this particular case to prosecute this matter against the Defendant, [fol. 98] and we are going to attempt to show that we have at all times attempted to do that, in a general sort of way, which generally applies to Mr. Steele. Now, these letters here are not specific complaints about Mr. Steele, the Defendant, but it is the general matter of trade-marks which they are attempting to correct as the owner of a trade-name and a trade-mark.

The Court: That has nothing to do with laches pled in this case, as I can see.

Mr. Maverick: It may be that they had their lands so filled in one place, that they couldn't do it all at one time.

The Court: I think that I will let the ruling stand, Counsel.

Mr. Putman: If the Court please, in order to preserve the Record, I would like to read into the Record, for identification of the rejected evidence, or the evidence which was not permitted to be received.

The Court: Not by reading it into the Record.

Mr. Putman: I want it marked for the purpose of identification. I merely wish to have it marked.

Mr. Maverick: Let's put them all in a brown envelope.

[fol. 99] (Whereupon, an instrument containing the proffered evidence was thereupon marked for the purpose of identification Plaintiff's Exhibit No. 15.)

Mr. Putman: I merely wished to have this particular exhibit, which was excluded.

The Court: Now, with reference to the question of laches, to show what was done or was not done by the Company, is one thing, but to show the correspondence had with other people is hearsay, and I will exclude that. I will permit this witness to testify to anything that might excuse his failure to act for the purpose for which you are offering this testimony, but not to put in the contents of any letters that he received from third parties.

Mr. Maverick: There has been so much noise, I did not hear that.

The Court: What?

Mr. Maverick: I didn't hear the last; there was an automobile right back of me here, and I couldn't hear you.

The Court: I said, if you were limiting the purpose of it solely to the question of laches, I would permit the witness, or would permit you to show by this witness and other officers of the Corporation just what the Corporation did with respect to the matter in which laches is charged, [fol. 100] but not by proving the contents of any letters that he wrote, or that somebody else wrote to them.

Mr. Maverick: Just a minute, Your Honor. Colonel, have you had a number of actions with reference to the spuriousness of Bulova watches?

A. Yes, sir.

Q. Would you outline what those actions are?

A. Well, some years ago, after receiving many complaints about fraudulent watches sold as Bulovas, and having had many of them to come into our office, we notified the Police Department of the City of New York to obtain evidence, that there were people, who were putting the name of Bulova on dials, without our knowledge and consent, and that they were selling them to people who were taking very old movements, or movements which were never Bulova's and selling them as genuine Bulova watches. As a result of that evidence, the Police and the officials of the—I don't know what Court it was; perhaps the attorneys can tell us what Court it was, but at any rate, six men were convicted of having falsely put the name of Bulova on watches and selling them as Bulova watches, which in fact, were not Bulova watches.

The Court: I don't hardly think that that testimony would be relevant as to the defense plead in this case; that defense, as I understand it, goes to the question of not having brought this suit against this Defendant earlier; is that true, Counsel?

[fol. 101] Mr. Maverick:

Q. Has that taken up a great deal of your time, and the time of the Bulova Watch Company?

A. Yes, sir, it has, and it has continuously.

Q. Who are some of the people who were convicted?

The Court: I think that it is wholly immaterial as to who they were.

Mr. Maverick: Your Honor, I can connect up the materiality of it. I will tell you now, one of the persons from whom the Defendant bought faces of watches is one of those who was convicted of falsely placing Bulova on those watches.

The Court: Well, what has that to do, Counsel, with the defense of laches in this case?

Mr. Maverick: Well, this is on another—this is, in my opinion, relevant for that and another reason, and that is that the defendant bought the dials for his watches, or some of his watches from this particular man who was convicted of placing Bulova on the dials of his watches, and selling them. Now, I will admit that it was not specifically with reference to Mr. Steele, but he was in the business, and was convicted, and sent to jail for that purpose on the second offense.

The Court: On the second what?

[fol. 102] Mr. Maverick: Second offense; he has been convicted twice of the same offense, of violating the trademark.

Mr. Barrett: In order to make the Record clear, you are not talking about Mr. Sidney Steele having been convicted of anything?

Mr. Maverick: No; I am not talking about him, no.

The Court: His statement was that the Defendant had bought watches or dials from this man who was convicted; is that right?

Mr. Maverick: Yes, sir.

Mr. Barrett: Well, we object to that statement by Counsel, until they actually prove that, but in any event, we don't think that it is material and relevant to the sale of Bulova watches in Mexico under the Mexican trademark.

Mr. Maverick: Well, there is no jury here. The name of the Company is the Berna Swiss Company, and the Defendant says in his deposition that he bought from that party, and that particular party that he refers to was convicted of violating the law, and that certainly has some-

thing to do with the character of that person, and might reflect on the Defendant.

[fol. 103] The Court: I hardly think that. I will carry your objection along. Go ahead with the testimony.

Mr. Maverick: Your Honor, you said that you would——

The Court: I said that I would carry the objection along, I will carry the Defendant's objection along to the question, and will hear the testimony, and will rule on it later.

Mr. Maverick: You mean he can answer that question?

The Court: Yes.

Mr. Maverick:

Q. Who were those who were convicted?

A. Mr. Marcel Couvorseur, or something like that, then, the President of the Berner Swiss Dial Company; he was convicted in January of 1933, as a second offender. Shall I give you the other names, Mr. Maverick? There were five other Defendants convicted at the same time, and shall I give you their names?

Mr. Barrett: Well, we make the further objection that none of this testimony with reference to the convictions has not been authenticated or shown by any authentic record of the Court having jurisdiction of the matter.

The Court: I will carry that objection along.

[fol. 104] Mr. Barrett: And therefore, it is not the best evidence.

The Court: I am inclined to think that your objection is good there likewise.

Mr. Maverick: If he was in Court at the time, and saw the conviction, and read it in the newspapers, and all of that, wouldn't that make it admissible?

The Court: I don't think that that would meet the objection, but I will carry the objection along.

Mr. Maverick: That is all. Thank you.

Mr. Barrett: We have some questions that we would like to probably ask Mr. Henshel, when we put on our case, but we would like to reserve them until that time.

The Court: All right, sir.

(Witness excused.)

Mr. Maverick: Your Honor, in reference to that conviction, when you make a ruling on the proof of the conviction, would you then permit us to bring in a certified copy, if it was proper to bring it in?

[fol. 105] The Court: You mean that you would like to offer in evidence now the certified copies?

Mr. Maverick: No; I haven't got it. I would have to wire for it. I mean, could it be brought in later, if we get it here in time to the Court?

The Court: Yes, if I find it otherwise admissible.

Mr. Maverick: That is what I mean.

The Court: And it is not a surprise.

Raymond F. Warren was thereupon called as a witness on behalf of the Plaintiff, being duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Maverick:

Q. Will you state your name, please?

A. Raymond F. Warren.

Q. Where do you live, Mr. Warren?

A. I live in Hartsdale, New York, 170 Caterson.

Q. What town?

A. Hartsdale.

Q. What is your position with the Bulova Watch Company?

A. I am vice-president.

[fol. 106] Q. When did you come with the Bulova Watch Company?

A. In 1928.

Q. You have been there then twenty-two years?

A. Twenty-two years.

Q. What was your position when you first came to the Bulova Watch Company?

A. I was in charge of advertising.

Q. How long were you directly in charge of advertising before you became vice-president?

A. Well, I became vice-president about five or six years ago, but I was in charge of advertising for a little over twenty years.

Q. Now, in reference to the coverage of advertising, to what extent does the Bulova Watch Company cover the United States from a radio viewpoint?

A. From a radio viewpoint, we have always made a statement in our advertising, that Bulova reaches every home in America.

Q. And what is that statement based on?

A. It is based on a study gotten up by our advertising agency, in conjunction with the radio stations and coverage maps, giving as a statement that there isn't a single home in America, that is not within the reach of at least one station broadcasting Bulova time.

Mr. Barrett: If the Court please, that is hearsay, based on what somebody else told him, as to a survey made by others.

The Court: Do you know those facts to be true, of your own knowledge?

[fol. 107] A. If you will, let me explain how I know. In the first place, when you are buying radio spots, you look at the coverage maps, and that is pretty well established; we check it all of the time, and those statements are made because of the maps of all of the Country. Now, I have seen those maps in the radio station, and I have seen them in the agency, and I have made a study of them.

The Court: I will overrule the objection.

Mr. Maverick:

Q. Do you check the distances, the area, and the lengths, by which you make the statement, that it covers every American home?

A. Well, I personally did not check it, and I would not be able to, but I have checked the maps, and I have checked the statement made by the agency, and by the radio stations, and we do have salesmen in every State in the Country, and are always getting reports from them regarding radio.

Q. With reference to local advertising, what is done in addition to the amount you do, by local dealers?

A. Well, you take our jewelers, they tie up with our National Campaign; for example, they take newspaper advertising; they take radio advertising; they spend a great deal of money on direct mail; they spend money displays of their own, and they also purchase clocks from us. I would say that approximately they would spend about $5.00 on every dollar that we spend on Bulova advertising.

Q. How do you know that?

A. Well, we had one survey, that was made by—I have forgotten the name of the Company, but I can get it for you, and we checked the newspaper advertising in every [fol. 108] City of fifty thousand or more. Now, that check included not only our own advertising, the amount of linage and the cost to the jeweler, but it also gives the advertising of every one of our competitors, so we can know at any time whether any competitive advertising is catching up with us.

Q. How many radio stations do you have advertisement in?

A. I can't give you the exact figure right now. I could if I had that book.

Q. I will give it to you.

A. The last portfolio.

Mr. Barrett: If the Court please, that was gone into fully this morning.

The Court: Sir?

Mr. Barrett: That was gone into fully this morning; the witness named all of the stations, and it is merely cumulative.

The Court I don't recall that he went into that, as to the number.

Mr. Maverick: Sir?

The Court: Go ahead. I will overrule the objection.

Mr. Maverick: Which book do you want?

[fol. 109] A. May I have the book over here (indicating), not the 1937 portfolio, but the blue one. Of course, as to these stations, a number of them are changing all of the time, because we are adding a lot of television, and

television is a very expensive medium; we are dropping some and adding others, but our television program right now is one of the most extensive in the Country. I would estimate that we have close to three hundred radio stations that we are using at the present time. The number is not given here, but the name of every single station and the City in which it is located is given here.

Q. With reference to the radio stations in close proximity to the Border, would you name some of the Cities from which broadcasts are made?

A. Well, I believe the Colonel testified to that this morning. Anyway, at the present time, I will say here—I can glance over these stations here and give you some of the stations.

Q. Well, I don't want anything except the Border stations.

A. Well, we have Bisbee, Arizona, Phoenix, Arizona, KNOI; KNOX, Los Angeles, which is a 50,000 watt station, and KFI, Los Angeles, which is also a 50,000 watt station, and KFBK, Sacramento, and that is a 50,000 watt station, and KROY, Sacramento, and KSFT, in San Diego, and we have San Francisco stations, but I wouldn't be sure of those, and we have Corpus Christi, Texas, KRIS; and we have KRLD, in Dallas, Texas, and that is a 50,000 watt station, and we have WFAA, in Dallas, also, which is a 50,000 watt station, and KTSN, in El Paso, WBAP in Fort Worth, and KPRC, Houston, and KTRH in Houston, another 50,000 watt station, and WOAI, in San Antonio, another 50,000 watt station.

[fol. 110] Q. Well, that is enough, because that is cumulative, and I don't want to burden the Court.

A. All right.

Q. I would like for you to explain the method you use in direct mail advertising, because that was not explained this morning, as I remember it.

A. There again, we prepare certain mailing material, and we try to cover practically every field in advertising; we make up these posters, for example, and we make up car cards, and we make up folders, and they are all illustrated in this book here, putting in Bulova watches, and we make up postcards, which we supply to the jewelers,

at the cost of the penny postcard; we print them on Government postcards, and there are millions of those printed up every year; those, we sell to the jewelers; he pays the postage on them, and the folders, we sell to the jewelers, and the car cards, and the twenty-four sheet posters are handled the same way; the jeweler pays for all of the space.

Q. With reference to the circulation of papers in Mexico, will you explain the circulation of papers in Mexico?

A. Well, of course I haven't seen any exact figures on the circulation in Mexico; I do know, however that the Saturday Evening Post goes down there quite a bit, and Life goes down there, and we also have a Spanish edition of Reader's Digest, which we were in from the very first issue, advertising.

Q. The Spanish edition of Reader's Digest, you say that you were in the first issue of that; about how long ago was that?

A. Well, I would have to guess at that; must have been about seven or eight or nine years ago, at least.

Q. Has that been continuously ever since?

[fol. 111] A. That has been continuously ever since.

Q. With reference to the circulation of that in Mexico, to what extent is it circulated in Mexico and in Latin-America?

A. Well, it is confin*de* to the Spanish speaking countries; I haven't got the circulation figures for the various countries, but I do know a great deal of it goes into Mexico.

Q. The newspapers, for instance, the Laredo Times, the Spanish edition of it, is that circulated in Mexico?

A. Well, I would prefer to have Mr. Tegums, our representative in Texas, to answer that; I think that he will be more familiar with it.

Q. Well, concerning television, what have you done concerning television?

A. Well, in television we were the very first, commercial advertisers in television that I know of, and in addition to that—that was on station WMBT in New York, and in addition to that, we made up a clock, and they were experimenting for some time before there was any commercial television, with that clock, and I would say that we are the very first commercial advertisers on television that I know of,

and I will state this, that we were pretty well sold on the medium, and are going into it more and more, into television spots, and furthermore, we have those spots, in most cases, between 8 and 9 or 10 o'clock, which are the best hours for audiences, and I believe that there is now under construction, or now in existence close to one hundred television stations all over the country, and we are on close to seventy of them; we have spots.

Q. You've kept coverage—is that a network?

A. No; we do not buy any networks in television right now. Of course, when they get this coaxial cable all over the country, and they can hook them up, we will probably be [fol. 112] on a network. We deal directly with each individual station.

Q. What about, with reference to the character of advertising, the matter of window displays?

A. Well, as to window displays, we have two types. We have the permanent window display, which is rather expensive, which we sell to the jewelers, and which some of the salesmen sometimes buy and give to them, and in addition to that, we have cardboard displays, which we make up for them, from time to time, for example—I don't know whether you want any more of thi advertising, but we have magazine advertising, from 1929 all of the way through up to the present time.

Q. Just describe it.

A. Well, we have double-page spreads, and single-page spreads, and I think only once, in a national ad, that I can remember, was it run in less than a full page, in colors. We never run black and white advertising, so, it would be either double-pages, or full pages in the Saturday Evening Post, Life Magazine, a few in Fortune Magazine, and in Esquire, and what we used to do was to take those ads and reproduce them into an easel and put them into a window display, so that at least three to five times a year, we would issue displays to every dealer on our books. Another way that we got cooperation from the jeweler was, that we would furnish them with a transcription, that they would get on the radio station, the local radio station, and we also furnished them copy, and we also furnished movie slides, that they could run in every local theatre. I don't think that we have missed a

single way of advertising by which we could help the jewelers, so that they could do their own local advertising.

[fol. 113] Mr. Maverick: That is all. Thank you. Do you want to ask him anything?

Mr. Barrett: If the Court please, we might want to ask this witness some questions later, when we put on our part of the case.

The Court: All right.

(Witness excused.)

Norman Tegums was thereupon called as a witness on behalf of the Plaintiff, being first duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Maverick:

Q. State your name.

A. Norman J. Tegums.

Q. Where do you live, Mr. Tegums?

A. I live in Dallas, Texas, sir.

Q. What is your business?

A. I represent the Bulova Watch Company, in the State of Texas.

Q. How long have you represented the Bulova Watch Company, in Texas?

A. For twenty-seven and a half years, sir.

Q. That has been entirely in the State of Texas for twenty-seven and a half years?

A. I have been in Texas for twenty-seven and a half years, yes, sir.

[fol. 114] Q. I am going to ask you who are your contacts with; who do you do business with?

A. My contacts are all with the Retail Jewelers.

Q. Does that mean the Retail Jewelers in the whole State?

A. Yes, sir.

Q. Are you familiar with radio stations in Texas?

A. Yes, sir, I am.

Q. Will you tell me whether or not there are any stations which broadcast in Spanish?

A. Yes, sir.

Q. And advertise the Bulova watch?

A. Well, most of my accounts, along the Border, such as in Harlingen, Brownsville, Laredo, and El Paso, and towns in that particular district, also including Corpus Christi, they all use Spanish broadcasts.

Q. How long ago did the advertising start with the Border stations?

A. Oh, as well as I recall, back in 1928, I believe.

Q. Was there advertising across the Border, for instance, in El Paso?

A. I believe that we had a station in El Paso at that time broadcasting Bulova in Spanish.

Q. How many radio stations have you that are broadcasting, or have broadcasted in Spanish up and down the Border?

A. Well, I wouldn't know exactly, but I should judge at least fifteen to twenty; all of the smaller towns that we do not personally broadcast on, our dealers use for broadcasting, tying in with the National Advertising, trying to reap the benefits of the National Advertising.

Q. Do the local jewelers additionally advertise Bulova watches in the Spanish language?

[fol. 115] A. Yes, sir; we have what we call wax recordings that we furnish radio stations ourselves, at our costs, in Spanish, and furnish them to the jewelers, free of charge.

Q. Can you offhand remember the names of any of the jewelers that broadcast?

A. Yes, sir, Mr. Dorfman, a jeweler, in Brownsville, Texas, and Mr. Dycus, of Laredo, Texas, and Mr. Fader, of the Fader Jewelry Company, of El Paso, Texas, and the Shelton Jewelry Company of El Paso, Texas.

Q. That is enough. Do they advertise any in the Spanish newspapers, in the Spanish language newspapers, like the La Prensa, in San Antonio, or the Laredo Times, and papers up and down the Border, which any of the jewelers advertise in, in Spanish?

A. Oh, yes, definitely.

Mr. Barrett: If the Court please, we have let this run along here on hearsay evidence, as to what has been done;

the newspapers themselves that the advertisements were supposed to be put in, would be the best evidence.

A. I have seen myself, personally, the Zale Jewelry Company's advertising here in San Antonio, using these cuts and mat service.

The Court: Wait until you are asked a question.

Mr. Barrett: We want to object to the secondary evidence, and the hearsay evidence, on the newspaper advertising and the radio advertising.

[fol. 116] The Court: I think that I will overrule the objection.

Mr. Barrett: Note our exception.

Mr. Maverick: Proceed on that subject.

A. I have personally seen advertisements in these Spanish papers, using our mats, and I think that we have had mats with Spanish wording furnished to the jewelers.

Q. Concerning the trade area there, are there a considerable number of purchases of watches as a result of the advertising from Mexican areas?

A. Oh, I would say a great deal, sir.

Q. At the same time, have you received complaints concerning watches that are not true Bulovas, watches that have come from Mexico?

A. I have had numerous complaints, and personal complaints, from practically every one of the jewelers in this particular district.

Q. What is the character of those complaints?

A. Well, they claim——

Mr. Barrett: If the Court please, we want to make the same objection; this is based on hearsay, what some third party told this gentleman with reference to the watch, and further because it is irrelevant and immaterial to any controlling issue in this case.

The Court: I will carry that objection along. Go ahead.

[fol. 117] Mr. Maverick: Would you state what the character of those complaints are, and have you seen some of the watches?

A. Well, these people along the Border towns especially come into me and show me watches brought in for repair,

claiming that they couldn't repair them. Well, I would not naturally have the watchmaker to open them up, and open up some of them myself, and look at them, but by just glancing at the watch, you can tell that it is not a Bulova watch; after all, I have handled the product for a good many years.

Q. To what extent have you received those complaints?

A. Oh, they run into hundreds and hundreds of them and have been for a good long time too numerous to mention; they would run into—oh, upwards of five hundred.

Q. Out of Mexico?

A. Yes, sir.

Mr. Maverick: That's all.

Mr. Barrett: We have the same objection to this line of testimony.

The Court: All right.

Mr. Barrett: No questions.

(Witness excused.)

Mr. Maverick: I would like to have Mr. Steele.

[fol. 118] SIDNEY STEELE, one of the Defendants herein, called to the stand by the Plaintiff, being first duly sworn, was examined and testified as follows:

Direct examination.

By Mr. Maverick:

Q. Will you state your name, please?

A. Sidney Steele.

Q. What is your residence?

A. Right here in San Antonio.

Q. What is the address?

A. 134 West Kings Highway.

Q. Where is your business?

A. Mexico City.

Q. Have you a business address in San Antonio?

A. No, sir.

Mr. Putman: If the Court please, would the Court instruct the witness to speak out a little bit louder, so that we can hear him down at the far end.

The Court: Yes; you will have to talk louder; I cannot hear you even up here.

Mr. Maverick:

Q. Where is your business in Mexico City?
A. Cinco de Mayo, 43, Mexico City.
Q. How much time do you spend in Mexico, and how much do you spend in the United States?
A. About half and half.
Q. About half and half; do you come back and forth?
A. Yes, sir.
[fol. 119] Q. What is your occupation?
A. Merchant.
Q. What kind of merchandise do you sell?
A. I import watches from Switzerland, movements and watches.
Q. You say from Switzerland?
A. Yes, sir.
Q. You don't get watches from any other place?
A. No, sir.
Q. Do you get any part of watches from the United States?
A. No, sir, no watches.
Q. Any part of a watch I said?
A. No parts.
Q. Have you ever gotten any dials?
A. Dials? That is part of the watch.
Q. What is a watch?
A. A complete watch; the movement comes with the dial.
Q. I understand, and this that I have here (indicating) is a watch?
A. That's right, a complete watch.
Q. It is a watch, just a watch; isn't that right?
A. That's right.
Q. And any watch you sell, you said a moment ago that you got your materials from Switzerland?
A. The material, we get from Switzerland.
Q. Do you get parts from the United States?
A. Only dials.
Q. Just answer the question; you got parts from the United States?

A. Only dials I get from the States; no parts, inside parts of the movement.

Q. Do you get any cases from the United States?

A. Yes, sir.

[fol. 120] Q. You get dials from the United States?

A. Yes.

Q. That is part of a watch, isn't it?

A. O. K., part of a watch.

Q. How long have you been in the jewelry business?

A. For myself, since 1933.

Q. For yourself; what do you mean by that?

A. When I went into business for myself.

Q. But before that?

A. Before that, I was connected with my brother.

Q. And how long were you in the watch business before that, or jewelry business; when did you start?

A. About 1923; about 1923, I guess.

Q. And where did you begin business?

A. With my brother, in Mexico City.

Q. Where?

A. In Mexico City.

Q. In Mexico City; it wasn't in San Antonio?

A. No, sir.

Q. Well, did you have your home in San Antonio at that time?

A. Yes, I had a furnished room at that time.

Q. Where was the furnished room?

A. I don't remember any more the addresses, but there were several places I had.

Q. Several places; what was the address of the place that you came to first when you came to San Antonio?

A. I don't remember that any more.

Q. You don't remember. What year did you come to San Antonio?

A. In 1921.

Q. 1921?

A. That's right.

[fol. 121] Q. Well, where did you stay during that year?

A. I don't remember any more where I stayed, so many years ago.

Q. Where did you stay in 1922?

A. Right here in San Antonio.
Q. But where?
A. I don't remember where it was.
Q. Do you remember where you stayed in 1923?
A. I don't.
Q. 1924?
A. There were so many places. I stayed in about——

Mr. Barrett: Now, if the Court please, I don't see the materiality of these questions, where the witness lived, during those years, that has no bearing upon any issues in this case, and we want to object to it; it is encumbering the Record needlessly.

Mr. Maverick: It is not encumbering the Record, if Your Honor please. There will be a reason for this, before it shows up.

The Court: Well, I will carry the objection along. I don't see the materiality, myself, at this time, that line of questions.

Mr. Maverick:

Q. Do you remember any residence while you lived in San Antonio?
A. Yes, sir.
Q. What were they?
A. One was on South St. Mary's, about the 1300 block.
[fol. 122] Q. When?
A. About 1935 or 1936.
Q. You don't remember any address before that?
A. One was on Evergreen.
Q. Evergreen?
A. That's right, Evergreen.
Q. Did you give another address in your previous testimony? Did you say that you lived on Kendall Street before?
A. At the corner of Kendall, at the corner of Kendall and Evergreen.
Q. When did you become an American citizen?
A. In 1926.
Q. Where was that?
A. Right here in San Antonio.

Q. Where had you been residing just previous to that time?

A. Right here in—between San Antonio and Mexico; I used to go to Mexico, and attend to some other business.

Q. You said a moment ago that you were not in business in San Antonio?

A. But I resided in San Antonio.

Q. What did you say?

A. I resided in San Antonio; my home was in San Antonio.

Q. Your home was in San Antonio?

A. Yes, sir.

Q. Where did you stay in Mexico?

A. In Mexico, I had a private room.

Q. In a room; where was that room?

A. In Guadalajara, 14.

Q. Where else?

A. Masaplan; I don't remember the number any more. There were many different places I used to live at; I don't remember any more.

[fol. 123] Q. How much or what amount of time did you spend in Mexico, and how much did you spend here?

A. About half and half.

Q. About half and half?

A. Yes.

Q. But all of your business was done in Mexico?

A. It wasn't my business; I worked for my brother.

Q. All of your work, and all of the business you had, was in Mexico?

A. That's right—no, I worked here in San Antonio, too.

Q. You said a moment ago that all of it was in Mexico?

A. After I got through working here, my brother needed me, so I went down there with him.

Q. Down where?

A. To Mexico City.

Q. Where did you work in San Antonio?

A. In the employ of Ritchie & Company

Q. You worked for Ritchie & Company?

A. That's right.

Q. You didn't work for your brother during that time?

A. No, sir.

Q. How long did you work for Ritchie & Company?
A. Just about a year.
Q. What year was that?
A. It must have been about 1921.
Q. 1921?
A. Or 1922; I don't remember.
Q. From 1923 to 1933, you worked for your brother?
A. That's right.
Q. And you spent half of your time here?
A. That's right.
Q. During that half of the time you were here, what were you doing?
[fol. 124] A. Working still with my brother.
Q. What kind of work?
A. He had an office here; he had an office here in San Antonio.
Q. What kind of work were you doing?
A. Office work.
Q. Office work; you just stayed in the office?
A. That's right.
Q. Where was his office?
A. In the Milan Building; at first, he had an office at 216½ Commerce Street.
Q. At 216½ Commerce Street?
A. That's right.
Q. How long was it there?
A. I don't remember.
Q. What kind of office work did you do?
A. Anything pertaining to the office.
Q. Well——
A. Handling sales, and collections.
Q. Doing what?
A. Handling sales and collections, and then I went to Mexico and worked in the office down there.
Q. Did you call on the trade here?
A. How is that?
Q. Did you call on the trade here?
A. Not here.
Q. Who did he sell to here?
A. I don't know.
Q. You don't know?

A. I don't know any more where he used to sell.

Q. You worked in the office, you say, half of the time for ten years?

A. That's right.

Q. But you don't remember who——.

A. I don't remember any more.

[fol. 125] Q. You don't remember who he sold to?

A. No, sir.

Q. You don't remember a single customer?

A. No, sir.

Q. In 1923, what kind of watches was your brother selling?

A. I believe Swiss watches.

Q. Swiss watches?

A. That's right, and he also had Elgin watches.

Q. Had Elgin watches? What other kind?

A. And some Illinois, he had also.

Q. During that period of time?

A. Yes.

Q. And you became familiar with all different kinds of watches?

A. That's right.

Q. Were you familiar with the Bulova watch?

A. At that time, no. Later. At that time, I didn't know anything about the Bulova.

Q. You didn't know anything about it at that time? Well, when did you find out about the Bulova?

A. After I started learning something about watches.

Q. And was that about 1925 or 1926?

A. More or less like that.

Q. More or less like that?

A. More or less, about 1925 or 1926.

Q. That was when you started learning about Bulova watches. Then, you went into business in Mexico, is that correct?

A. What did you say?

Q. You went into business in Mexico?

A. For myself in 1933.

Q. In 1933?

A. Yes, sir.

[fol. 126] Q. Have you ever sold any Bulova products?

A. Yes.
Q. Have you ever sold any?
A. In Mexico, yes.
Q. You sold Bulova products there?

Mr. Barrett: If the Court please, we object to the question, because it is not clear as to what Bulova products he is talking about.

Mr. Maverick: Now, Your Honor, that is more or less in the nature of coaching the witness. I just asked him whether he ever sold any Bulova products, and he said yes.

A. Yes, sir.

Mr. Maverick: He said that he sold Bulova products in——

A. Since 1933.
Mr. Maverick: Since 1933.
Mr. Barrett: And we object to the question——
Mr. Maverick: Now, Your Honor——
The Court: Wait a minute, Mr. Maverick.
[fol. 127] Mr. Barrett: We object to the question, because the question is too general, and it is one of these little questions that he is trying to trip the witness with; this witness doesn't know what he is talking about, whether he is talking about——

The Court: That is something that you are passing on there.
Mr. Barrett: Yes, sir.
The Court: I will overrule the objection.
Mr. Barrett: Note our exception.
Mr. Maverick: Are you, for instance, familiar with Bacardi rum?

A. Who?
Q. Are you familiar with Bacardi rum?
A. No, I don't drink.
Q. You never did hear of Bacardi; is that the reason you never heard of Bacardi rum?
A. I have heard of it.
Q. What did you say?
A. I have heard about it.
Q. You have heard about Bacardi rum?

A. Yes.

Q. Do you know where it comes from?

A. I do not.

Q. You have heard of Bacardi rum?

A. Yes.

[fol. 128] Q. Have you ever heard of Stetson hats?

A. Yes.

Q. Do you know where they come from?

A. No, I don't; where they are manufactured, I don't know.

Q. Now, in the sale of Bulova products, where have you sold those Bulova products?

A. In Mexico; in the Republic of Mexico, I sell watches that I import from Europe.

Q. That you import from Europe?

A. That's right.

Q. They are Bulova products?

A. What do you mean, that they are Bulova products?

Q. I am just asking you; are they Bulova products?

A. I don't know if they are Bulova products or not, but I am buying my movements and watches in Switzerland, and I put the name Bulova on in Mexico City, if that is what you mean.

Q. You put on the name Bulova in Mexico City?

A. That's right.

Q. Now, at what time, you stated that you registered this Bulova name?

A. Yes, sir.

Q. When did you do that?

A. In 1933.

Q. Why did you do that?

A. Because it was open, and I applied for registration.

Q. It was open; what do you mean by open?

A. It was open; wasn't registered, so I applied for the registration, and I got it.

Q. You knew that the Bulova Watch Company made Bulova watches, and you had heard about them, and you did that because it was a profitable name, is that correct?

[fol. 129] A. No, sir, not in Mexico.

Q. Well, why did you do it?

A. Because I was working with watches right there.

Q. You were what?

A. I was selling watches in Mexico.

Q. You thought that that would be a good name to take advantage of?

A. No; after I worked hard in it; that is why I was trying to bring it up, something in Mexico.

Q. You had no idea, for instance, that the advertising of the International name of Bulova would do you any good?

A. Nobody heard in Mexico about it.

Q. Nobody ever heard of Bulova?

A. No, sir, not at that time.

Q. Well, why didn't you take the name of some other name then?

A. Well, I took several different names I registered on watches also at the same time.

Q. I understand that, but you did register Bulova?

A. And I registered other names too.

Q. What were those other names?

A. I think that I have given you already the names down there; one was Erma, and Evelyn, and Sidney, and Bulova.

Q. And you proceeded then to sell Bulova watches?

A. I am selling all of the other watches too.

Q. How much advertising do you do of Bulova?

A. Well, it all depends; not much in newspapers or magazines, but my personal efforts and the salesmen I am sending out.

Q. The salesmen, what do you have them say?

A. What is that?

Q. What do you have them say; what kind of watches do you have them say?

[fol. 130] A. We sell very good watches.

Q. Very good watches?

A. Yes, sir.

Q. I understand, but the watches which you call Bulova.

A. All of the watches are good with me, if they are Bulova, Sidney, or Evelyn.

Q. But with reference to the Bulova watches, what do your salesmen say; what do they represent?

A. I do not make any distinction between Bulova and Sidney.

Q. You don't make any distinction?

A. They are all good watches I sell.

Q. What is the difference between a Sidney and a Bulova watch?

A. Well, they are the same exactly, more or less.

Q. The same exactly?

A. Yes.

Q. Have you at any time in selling Bulova products obtained Bulova products that were owned or distributed by the Bulova Company?

A. No, sir.

Q. You distribute Bulova products, but they are not from the Bulova Company, is that correct?

A. It is my Bulova that I registered in Mexico.

Q. It is your Bulova?

A. Yes, sir.

Q. Have you or any of your family ever had the name Bulova?

A. No, sir.

Q. When did you say the year was that you registered this?

A. In 1933.

Q. How many watches did you sell that year?

A. I don't know any more; I don't remember any more, since 1933.

[fol. 131] Q. I understand that was the first year that you sold the watches?

A. We don't keep any more records since that time.

Q. I understand you don't keep any records, but you know a young lawyer can remember how much he made the first year, and the first few cases he tried, and I know you were just starting out, and I am sure that you can remember how many you think you sold.

A. I don't remember. You have asked me already, several times about that, Mr. Maverick.

Q. Well, did you sell a thousand?

A. I don't remember any amount that I sold at that time. I don't have any more records. I have them only for five years, which the Government makes us keep, that is, the records for five years, and those I have.

Q. Where the statute of limitations runs, you have no memory, is that right?

A. Would you remember some articles that you have had for a certain time?

Q. Well, I can tell you the first law case that I ever tried.

The Court: All right, Gentlemen, don't get into any argument.

A. If I had known that you were going to ask me that, I might have kept the records for you.

Mr. Maverick:

Q. Well, you have some approximate idea of how many you sold?

A. I don't have any idea any more.

Q. Did you have a large trade, or a small trade, or a middle-size trade on it?

A. I don't remember any more, since 1933; I give you all of the information that you asked me in the deposition, for the last five years, 1944 up to 1949.

[fol. 132] Q. Did you sell in excess of five?

A. I don't remember any more.

Q. Did you sell ten?

A. I don't remember.

Q. Well, what do you remember about it?

A. That I was selling Bulova watches since 1933; this I remember.

Q. You just remember that?

A. Yes, sir.

Q. How many did you sell in 1948?

A. I don't remember. 1948, you have down there in the record.

Q. Well, how many did you sell in 1947?

A. You have it in the record down there, since 1944, I believe you have it.

Q. How many did you sell in 1943?

A. I don't remember in '43. I have it from 1944 up to 1949.

Q. You don't have any idea how many you sold?

A. No, sir.

Q. You know that you had certain customers in 1943, don't you?

A. To sell, you have to have customers.

Q. That's right.

A. If you don't have them, you cannot sell.

Q. That's right, and how many customers did you have?

A. I don't remember.

Q. Well, here is 1944 (referring to paper) and there must have been some of the same customers in there. This is your own statement. Would you give me a list of the customers that you had in 1943?

A. No, sir.

Q. Do you remember out of those names how many people you sold to?

A. I don't remember any more, beyond 1944.

[fol. 133] Q. Have you any personal relations with your customers?

A. If I am in Mexico I go and visit them.

Q. If you are in Mexico, you go and visit them?

A. Yes.

Q. Do you talk to your customers, and they buy watches from you direct?

A. No, sir; I usually don't sell any watches. My salesmen do that.

Q. Your salesmen do that?

A. Yes, sir.

Q. These customers that you had in 1944, do you remember any of those customers in 1944? Do you know them personally?

A. Some of them in the City of Mexico, I do know.

Q. In the City of Mexico?

A. Yes, some of them.

Q. Did any of these men in the other cities visit in Mexico City?

A. No; they had no necessity to, because the salesment go out and visit them.

Q. Now, here for instance is the name of Remigo Mendez, of Monterrey; do you remember him?

A. Remigo Mendez?

Q. Yes.

A. I know about him, but I don't know him.

Q. Do you know a man by the name of Antonio Ibanez?

A. Where is he from?

Q. Mexico City.

A. Antonio Ibanez?

Q. Yes.
A. Yes.
Q. Did you know him in 1943?
A. I don't know if he was in 1943 already in Mexico. He [fol. 134] is from Guadalajara actually.
Q. Well, you knew him in 1944?
A. Sir?
Q. Well, you knew him in 1944?
A. Do you have him down there on that list?
Q. I will show it to you. Here it is, Antonio Ibanez; do you know him?
A. Yes, yes, not personally, but I know of Antonio; I know the account.
Q. Well, had he had an account in 1943?
A. I don't know.
Q. You don't know?
A. I don't know even if he was in Mexico at that time, because he actually came from Guadalajara, if I am not mistaken.
Q. Now, here is Juan L. de Garcia; Do you know that party?
A. No, sir.
Q. Do you know Jose Salinas Puga?
A. No, sir.
Q. Do you know O. C. de Bello?
A. No, sir.
Q. Do you know E. P. de Vega?
A. Where is he from?
Q. E. P. de Vega is from Nuevo Laredo.
A. No, sir.
Q. Do you know Alfonso Uribe?
A. Where is he from?
Q. Orizaba.
A. I don't know him.
Q. You don't know him?
A. Maybe I do know him, if I would see him, that is, I would recognize him, if I do.
Q. Do you know Mr. Kimberly?
A. Kimberly, yes.
[fol. 135] Q. Did you sell watches to him?

A. No, sir; I don't think that you have him down there on the list.

Q. I didn't say that he was down here. I just wanted to know if you ever sold any watches to him.

A. I don't know if we sold him or not.

Q. You don't know whether you ever sold to Kimberly or not?

A. I don't know if we sold him down there, or my people.

Q. Do you know Jose Sampogna?

A. Is he from Victoria?

Q. Yes, Victoria.

A. Yes, I know him.

Q. Do you know him well?

A. No, not well.

Q. Well, did you sell him any watches in 1943?

A. I don't know.

Q. Well, did you ever sell him any watches before 1944?

A. I don't know if I sold him or not.

Q. Do you know Carlos Flores?

A. Where is he from?

Q. Monterrey.

A. No, I don't.

Q. Do you know Sabas Garza?

A. No.

Q. Do you know Foa. M. De Lattigue?

A. Lattigue?

Q. Yes; do you know him?

A. Many of them I know by name, but I don't know them personally.

Q. Well, I know, but do you know him?

A. I have heard about him, but I don't know him.

Q. Did you ever sell watches to any of these people before?

[fol. 136] A. I suppose I sold them before; I don't know.

Q. You don't know? How long had Lattigue been a customer?

A. I don't remember any more how long.

Q. Had he been a customer for several years?

A. A lot of customers keep on changing.

Q. I know, but had he ever been a customer before?

A. I guess so.

Q. You think so?

A. Yes.

Q. How long have you known him?

A. I don't remember how long I have known him.

Q. Had you sold him watches before?

A. Some of those, I don't know at all; some of the names I never heard of that you are calling off.

Q. I know, but had you had business relations with a man of that name, or that person?

A. It must be so, if he is there on the list.

Q. I mean in previous years.

A. I don't remember about the previous years.

Q. All right. Do you know P. Flores Cano?

A. I don't know him personally.

Q. You don't know him personally. Do you know that he was a customer?

A. Yes, sir.

Q. How long was he a customer?

A. I don't know.

Q. Where was he from?

A. I think that he is from Guadalajara.

Q. That's right; he is from Guadalajara; do you know him quite well?

A. I don't know him at all.

Q. You don't know him at all?

A. By the name, I know that he is from Guadalajara.

Q. You know that he has been on the books of your Company?

[fol. 137] A. Yes, sir.

Q. Had he ever been on the books before 1944?

A. I don't know.

Q. Now, here is a concern here named La Suiza; that is the name of a concern.

A. There are many La Suiza's.

Q. That is in Guadalajara.

A. He might have bought from us once or twice, but I don't know which year it was.

Q. Did they buy before 1944?

A. I don't remember when it was.

Q. Here is another one, Emiliano H. Ramirez; do you know that party?

A. No.

Q. Do you know Alberto L. Suarez?

A. Many of them I remember by the name, but I don't know them; none I know; just from Mexico City that I know; very few from the outside.

Q. Just from the outside, you were familiar with their names, weren't you?

A. The names, yes; the salesmen know them because they are in contact with them.

Q. Well, you are familiar with some names over a period of several years, aren't you?

A. Well, that is what I am telling you, some of them I know by name, but I don't know them personally.

Q. I mean you know them over a period of years?

A. Yes.

Q. And you are a business man, and you sell them merchandise?

A. Yes.

Q. Well, that is what I want to find out; I want to find out if you sold Alberto L. Suarez merchandise.

A. Well, that list shows that we sold him.

Q. I am asking you if you did?

[fol. 138] A. That list shows that, which I gave you, and that answers that.

The Court: Just answer the question.

Mr. Maverick: Just answer the question. Did you sell him merchandise?

A. Yes, sir.

Q. You did sell him merchandise. Did you sell him before 1944?

A. I don't remember.

Q. You don't remember. Did you ever sell a man by the name of Alberto L. Suarez?

A. I don't know.

Q. Or Francisco G. Vega?

A. I don't know.

Q. Or Ferreteria Almada?

A. Where is he from?

Q. Ferreteria Almada is from Guaymas.

A. I don't know if they sold him or not.

Q. Who are they?

A. My office.
Q. Your office. Do you keep in contact with your office?
A. When I am there, I do.
Q. When you are there?
A. When I am in Mexico.
Q. Do you check your records occasionally?
A. Yes, occasionally.
Q. What about Luis Cornejo?
A. I don't remember.
Q. What about Oscar G. Quintero?
A. I don't know him.
Q. What about G. Steidinger?
[fol. 139] A. I don't know him.
Q. You don't remember that name?
A. The name I do, but I don't think that we sold him.
Q. You don't remember whether they sold him?
A. That's right; I don't know.
Q. What about Refugio E. de Flores?
A. The same thing; I don't know if they sold him or not.
Q. It shows here that that party was sold seven watches in 1944.
A. What is that?
Q. In 1944, seven watches in 1944.
A. What seven watches?
Q. It says that they were cantidad.
A. Oh.
Q. That is account, is that what that means?
A. Cantidad is the amount, quantity.
Q. Seven watches. G. Steidinger of Monclova, do you remember that name, do you know him?
A. No, sir.
Q. Did you ever meet him?
A. No, sir.
Q. You never met him. Refugio E. de Flores; did you ever meet that party?
A. No, sir.
Q. Did they have any business with your concern other than in 1944?
A. I don't know.
Q. You don't know. Now, you have this Oscar Quintero on your books in 1945, which I read a minute ago. You say you didn't know him?

A. I don't know him personally.
Q. You sold Oscar Quintero in 1944 and 1945?
A. I suppose so.
Q. Do you know whether he was sold in 1943?
A. I don't know.
[fol. 140] Q. I have here Refugio E. de Flores, of Monterrey.
A. Didn't you call that name before?
Q. No.
A. There are different Flores.
Q. What did you say?
A. You have called different Flores.
Q. The last name that I called was Steidinger; now, this is a different Flores. Do you know that name; did you ever meet him?
A. There are several Flores in Mexico; that is a common name.
Q. Well, did you sell to anybody by the name of Flores in 1943?
A. I don't know.
Q. You don't know whether you did or not. What about Maria Z. de Gallargo?
A. I don't know.
Q. And here is Jose Salinas Puga.
A. I don't know.
Q. And Enrique Rios?
A. Where is he from, Mexico City?
Q. Oaxaca.
A. No.
Q. Do you know Jesus Maring?
A. He is from—no.
Q. From Celaya.
A. No.
Q. Do you know Vincente Sarno?
A. No.
Q. Do you know Maria Barrera?
A. Where is she from?
Q. Mexico City.
A. Barrera, no.
Q. You don't know. Do you know Miguel Hernandez?
A. Miguel Hernandez, from Mexico City?
[fol. 141] Q. No, Rigverde.

A. No, sir, I don't.

Q. Do you know Romiera Mex?

A. Yes, sir, I know him. He is from Mexico City.

Q. Well, now, that was a purchase in 1949 of watches; do you remember him well?

A. Which one?

Q. How long has Romiera Mex been a customer?

A. About two or three years.

Q. Two or three years?

A. I think so.

Q. You say for about three or four years?

A. About two or three years.

Q. Two or three years. Out of this whole list here, we might say, how many customers—two hundred customers—do you remember dealing with any one of them in 1943?

A. I do not.

Q. Now, look at these names through, so we can see whether or not you can remember any of them in 1943.

A. I don't remember any of them in 1943; you have asked me about that already.

Q. You don't remember any of them in 1943?

A. No, sir.

Q. How many watches did you sell in 1943, approximately?

A. I don't know.

Q. Well, do you know how many you sold in 1944? Have you got an approximate idea of how many you sold in 1944?

A. No, sir.

Q. You have no idea?

A. No, sir.

Q. Have you any idea as to how many you sold in 1949? [fol. 142] A. In 1949, we had on the list about eighty some odd watches, up to August, eighty or seventy some odd.

Q. How about from August to the end of the year?

A. There might be another one hundred, for 1949, seventy-five or one hundred watches.

Q. This shows here that there were sold in 1949 165 up through August?

A. In 1949?

Q. Yes.

A. There must be another 75 or 100 watches.

Q. You said a moment ago that there were 80 sold up through August, but you are mistaken about that?

A. I suppose so; you have it down there, and I don't have it before me.

Q. How many watches did you sell in 1935?

A. I don't know.

Q. Were sales good that year or bad?

A. I don't know; I don't remember.

Q. You don't remember whether it was good business or bad business?

A. I don't remember.

Q. How about 1936?

A. I don't remember.

Q. How about 1937?

A. I don't remember.

Q. 1938?

A. I don't remember.

Q. 1939?

A. I don't remember.

Q. Now, I want to go back to the first year, because it seems to me that you should be able to remember the first year that you went into business. To whom did you sell?

A. To the retail stores.

Q. To the retail stores?

A. Yes sir.

[fol. 143] Q. What retail stores were they?

A. Jewelry stores are retail, and we sold directly to the public.

Q. But I want to get the names of the companies to whom you sold.

A. That is what you are trying to get, but I don't remember. I told you that; I don't remember.

Q. You don't remember any customers?

A. No, sir.

Q. You don't remember, or you don't want to tell me; now, which is it?

A. I told you I didn't remember.

Q. And you don't remember in the first year that you went into business a single customer that you had?

A. Well, that was not my first year in business. It was my first year in business for myself, but I used to work for

my brother before, and it was not my first year in business. I started for myself that year.

Q. Where did you get these Bulova watches, or these watches that you had Bulova on, where did you get them?

A. I imported them from Switzerland, the movements, and I put Bulova on them in Mexico City.

Q. You put Bulova on them there?

A. That's right.

Q. Did they have any other mark on them?

A. There might have been some other marks.

Q. Like Sidney?

A. Maybe so.

Q. Then, you would eradicate Sidney?

A. You cannot eradicate from the movements; you can add, but you cannot eradicate.

Q. Now, what percentage of Erma watches do you sell in comparison to Bulova watches?

A. It is hard to say, but the Erma used to be a cheap watch. During the War we couldn't even get them, but be- [fol. 144] fore the War, we were getting them from Switzerland; they used to come unassembled.

Q. What percentage more do you sell of Erma's than Bulova's?

A. Right now, we don't have any Erma's, because we cannot import them; they are disassembled. If we should bring them in complete, the duty would be too high, so we don't get them any more.

Q. Don't get Erma's?

A. No Erma's.

Q. What kind do you get?

A. Sidney.

Q. Sidney?

A. Yes.

Q. How many more Sidney's do you sell than Bulova's?

A. We get about—it is hard to say how many.

Q. Well, approximately?

A. I don't know.

Q. Did you say that you sold less watches during the War?

A. I said that we sold more during the War.

Q. You sold more during the War, but you said that it was hard to get merchandise during the War?

A. Yes, sir.

Q. How did you sell more, if it was hard to get during the War?

A. It was hard to get, but we were trying to get it.

Q. It was hard to get?

A. But we were trying to get it.

Q. You got them, and you sold more?

A. That's right.

Q. What is the amount of watches that you have, by the name of Bulova, that you are selling at this time; approximately at what rate are they being sold?

A. It all depends; I don't remember. I don't know how many they are selling right now down there in Mexico.

[fol. 145] Q. Don't you know?

A. No, because I have not been there lately.

Q. How long has it been since you were there?

A. About three or four weeks.

Q. Well, I just want to know, up to three or four weeks ago how much you were selling?

A. I didn't get the report.

Q. Well, how much was it before you came up here; how was it going before you came; how many did you sell in January of 1950?

A. I don't know how much we sold. I don't remember.

Q. Well, did you sell a great many, or a few?

A. Usually business in January is slowing down.

Q. Slowing down from what?

A. For the sales.

Q. Well, approximately how many did you sell?

A. I don't know.

Q. Did you sell under a hundred or over a hundred?

A. I don't know; I would have to look in the records down there to tell you how many I sold.

Q. And you can't give any idea whether it was one or a thousand?

A. It is hard to say how many I sold down there.

Q. How is that?

A. It is hard to tell you how much I sold. If you want me to, I can get that for you.

Q. How many employees have you got in your office?

A. In the office, or all together?

Q. In your office, how many people have you got?

A. About twenty-five.

Q. Twenty-five people?

A. Yes, sir.

Q. And they are all engaged in the distribution of watches?

A. And different kinds of watches; every one has his own watches.

[fol. 146] Q. And how many different kinds of watches do you sell?

A. Sidney and Bulova.

Q. Sidney and Bulova, and you have twenty-five people working?

A. Yes, sir. Well, we have clocks also.

Q. What percentage of clocks?

A. We import clocks.

Q. What did you say?

A. We import clocks, alarm clocks.

Q. What kind?

A. American.

Q. American clocks?

A. Yes, sir.

Q. What percentage of your watch business is Bulova business?

A. I don't know what the percentage is.

Q. You don't know what the percentage is?

A. No, sir.

Q. You testified before that there were five times as many of the others sold as Bulova; would it be 20% of Bulova watches?

A. I don't know; maybe so; I don't remember how many watches.

Q. What is the annual volume of the sale of watches last year, peso volume?

A. About, altogether, 1,200,000 pesos, more or less; maybe 300,000.

Q. Approximately how many of those were Bulova's?

A. I don't know; you have that down there, how many pieces we sold, one hundred sixty five, and there might be about seventy five more.

Q. I want you to tell me though.

A. It might be about two hundred—or two hundred fifty Bulova's during last year.

[fol. 147] Q. Now, explain to the Court how these watches are assembled together; watches that you have that are Bulova's; tell us how you get those watches, and how you get them together in Mexico, and how you put them together, and so on, in simple language.

A. Well, we get the complete movements from Switzerland to Mexico, and then we buy—some of the watches are complete, and some are only movements, and with movements, when I am short of cases, I order them from the States. Some we have to change dials, on account of the opening of the case. We have to get also some dials in the States, and when we get them down there, we change the dials according to the need of the case, and then there is a complete watch.

Q. Are some of the watches which you sell and which you have placed on them Bulova, do they have cases bought from the United States?

A. Some of them, yes.

Q. Some of them, and some of the dials come from the United States?

A. A few dials, yes, but a very small percentage.

Q. Now, do you stamp these yourself?

A. Yes, sir.

Q. Were any of the watches—did they have stamped on them Sidney that you put the Bulova on, when they came from Switzerland?

A. What do you mean, the movement?

Q. I asked you if the name Sidney was stamped on any of those watches when they came from Switzerland.

A. Some of them, yes.

Q. Then you would remove the name Sidney and put on the name Bulova?

A. From the dial. From the movement, you cannot; you can only add onto the movement.

Q. I asked you before did you have any of them come with the name already on it. Have you ever had a watch come [fol. 148] from Switzerland with the name of Bulova stamped on it?

A. No.

Q. Your answer is No?

A. No.

Q. Why didn't they come with Bulova on them?
A. I didn't ask for it.
Q. Why didn't you ask for it?
A. Because I didn't need it.
Q. Because you didn't need it?
A. No.
Q. You are selling Bulova's aren't you?
A. I can do it in Mexico myself.
Q. Well, why don't you get—why do you do the work of Sidney in Mexico?
A. I can do the same thing with Sidney.
Q. Well, why don't you do it?
A. I do do it, if I need it.
Q. If you need it?
A. Yes.
Q. But you do get watches from Switzerland stamped Sidney and Erma?
A. But I get without names, too.
Q. Just answer that question; you get them with Sidney?
A. Yes.
Q. And you get them with Erma?
A. I get them with Erma.
Q. And what other name?
A. For the time being only them.
Q. What other names have you gotten?
A. Evelyn I used to get.
Q. And you have gotten Evelyn, Erma and Sidney?
A. Yes, sir.
Q. And had them stamped in Switzerland?
A. No, not everything.
[fol. 149] Q. Answer my question now. Haven't you gotten them stamped in Switzerland?
A. Some are stamped with Sidney also in Mexico.
Q. Just answer the question; did you get them stamped—did you get some of them stamped in Switzerland?
A. Yes.
Q. Did you ever get any stamped Bulova in Switzerland?
A. No, sir.
Q. Why didn't you get that on them?
A. I didn't ask for it.
Q. You didn't ask for it. Why didn't you ask for it?

A. I don't know why, but I didn't need it, and I didn't ask for it.

Q. Well, you asked for Sidney?

A. No; all come with Sidney.

Q. You asked for Sidney on those you got, didn't you?

A. On some they put the name on there themselves in the factory.

Q. You mean that they put Sidney on there without you asking them?

A. Well, they know my trade-mark already.

Q. They know your trade-mark?

A. Yes.

Q. And then when you ordered them, you didn't order Sidney on them?

A. Some I asked for with Sidney, and some I asked for without any names at all.

Q. But what I am trying to find out is why didn't you ask them to put the Bulova on there? Why didn't you ask them to put Bulova on there?

A. I just didn't ask.

Q. You just didn't ask?

A. Yes.

Q. And then I asked you the question why didn't you have them to put Bulova on there, and you said, "Never during [fol. 150] the whole time," and you said some of the watches were stamped Sidney and you would change them, and stamp on them Bulova; that was the question, and your answer was Yes, if I needed them; and the next question by me was, "Did you superimpose that on it, for instance, put it over the name Sidney," and you answered, "No, no, we removed the name Sidney from the dial," is that right?

A. Yes.

Q. You removed the name Sidney from the dial?

A. If the dial came with the name Sidney, and we needed it for a Bulova, we removed the name Sidney and put the name Bulova on.

Q. Then, the reason that you put that Bulova on there—what would be your reason for doing that?

A. For needing it.

Q. For needing?

A. For needing the dial.

Q. Would that be because you thought you could spell it better?

A. I don't know; I don't think so.

Q. Well, what reason did you have for doing that?

A. For what?

Q. For putting the name Bulova on there?

A. If I needed a watch to sell.

Q. If you needed a watch to sell.

A. If the customer asked for it, and if I didn't have the dial already, I made it up.

Q. You had salesmen out selling Bulovas though, didn't you?

A. Yes, sir.

Q. Then you would buy Sidney's and change them over to Bulova's?

A. Not necessarily.

Q. Well, did you or not?

[fol. 151] A. Not always.

Q. Not always, but you did it though.

The Court: Gentlemen, we will take a fifteen minute recess.

(Whereupon a short recess was had.)

Mr. Maverick:

Q. Mr. Steele, in your application for a trade-mark, did you use these words, I mean in Mexico, in your application for the trade-mark in Mexico——

A. Uh-huh.

Q. Did you use these words: "Las fabricas que produciran los relojes amparados por la marca estan ubicadas en Suiza," and which translated means: "The factories who will produce the watches protected by the trade-mark are in Switzerland." Is that correct?

A. Yes, sir.

Q. The exact translation, which I believe to be strictly an honest translation is, "The factories who will produce the watches protected by the trade-mark are in Switzerland."

A. Yes, sir.

Q. Is that correct?

A. That is right.

Q. Then, in answer to a question of mine, you said that all of the watches which had Bulova stamped on them came from Switzerland; is that right?

A. The movements came from Switzerland, or watches.

Q. Well, the question that I asked you before was if all of them were Swiss watches. I said, "Watches", that is the question I asked you.

A. Yes.

Q. But, as a matter of fact, the watch which you sell is partially—may be partially from the United States, is that correct?

[fol. 152] A. Just the case.

Q. Just answer the question. Is part of the watch from the United States; just answer Yes or No.

A. Yes.

Q. A part of it is from the United States? It might have an American case?

A. Well, it is about—between 35 and 40% of the watches come complete from Switzerland.

Q. But a majority of them have something of ar American make on them, is that correct?

A. Yes, sir.

Q. When you made this application, you said that they were in Switzerland. Did you anticipate that any Swiss manufacturer would refuse to sell you watches with Bulova on them?

A. I didn't think about that, and I didn't ask anybody from Switzerland to send me them with the name Bulova to Mexico.

Q. You didn't think about that, but you did have them to send you watches stamped with Sidney, Erma and Evelyn on them?

A. Well, they sent them also without any names too.

Q. Just answer the question, Mr. Steele. You had watches sent to you stamped Sidney, Erma and Evelyn, is that right?

A. Yes.

Q. But you never at any time asked for them to put Bulova on them?

A. No, sir.

Q. Did you have reason to believe that if you asked them

to put Bulova on there, that they would refuse to put Bulova on them?

A. I don't know.

Q. You don't know. I asked you before did you have them to put Erma and Sidney on them, and you answered, [fol. 153] "I can remove; I can remove and put Erma on them in Mexico and Sidney also on them: I can put Erma on the Sidney and Sidney on the Erma."

A. Yes, sir.

Q. You said that?

A. Yes, sir.

Q. And then I asked you the question, "But you had them stamp Sidney on them and you had them stamp Erma on them," and then you said again, "Some came without them altogether."

Now, some of these come with the cases from Switzerland, is that right?

A. Yes, sir.

Q. What kind of cases are they?

A. White or yellow.

Q. Well, are they 14 karat gold-filled, or silver, or what?

A. They are rolled gold-plate.

Q. What?

A. Rolled gold-plate, if they are yellow.

Q. They are what?

A. Rolled goldplate.

Q. But they are not 14 karat gold-filled?

A. No; they might be 14 karat solid gold cases or 18 karat solid gold cases.

Q. But I am asking you about what you do buy though.

A. What I do buy?

Q. Do you buy any 14 karat gold-filled cases that you sell in Mexico?

A. Well, Switzerland doesn't send 14 karat gold-filled; that is a procedure in the States, but over there, they sell you a ten-year case, or a twenty-year case.

Q. Well, would it be 14 karat gold?

A. Well, I don't know, but they stamp them ten or twenty year cases.

[fol. 154] Q. In any of your applications to the Mexican Government, did you state that you would buy these watches, and that you would stamp them in Switzerland?

A. It wasn't necessary to say that in the application.

Q. It wasn't necessary; did you ask for a trade-mark for Sidney?

A. Yes.

Q. What did you say in there?

A. The same thing.

Q. The same thing on Erma?

A. Yes.

Q. On those watches, with the same kind of application, you asked for them—some of them to come in with Sidney, but didn't ask for that on any that you used to sell as Bulova from Switzerland?

A. No, sir.

Q. That's correct. Did you ever at any time buy any Bulova products?

A. No, sir.

Q. You said sometime ago that you sold Bulova products; that is correct, isn't it?

A. No, sir; my own Bulova.

Q. Your own Bulova?

A. That's right.

Q. And you bought parts of watches in Switzerland. Did you buy any Bulova watches from the Bulova people in Switzerland?

A. I never did any business with the Bulova people.

Q. But you bought watches in Switzerland, but not from the Bulova people?

A. I buy from different factories in Switzerland.

Q. But not from Bulova?

A. No, sir.

Q. Then, you make them Bulova after they get to Mexico? [fol. 155] A. I buy Swiss merchandise, and I put the Bulova on in Mexico.

Q. You put it on in Mexico, but on many of those, you have it put on in Switzerland. Did you want the Mexican authorities to think that you were buying a genuine Bulova?

A. No, sir.

Q. I have some telegrams here that I would like to read to you, and this one is from Switzerland to you, Sidney Steele. "Trade-mark Bulova universally known is owned exclusively by the factory Bulova of New York and its branch in Switzerland (Stop)"

Mr. Barrett: If the Court please, this telegram now is based on hearsay. Nobody has testified as to who sent it, or whether or not it was received, and it has not been properly -roved up.

Mr. Maverick: He has already testified to it in the deposition.

Mr. Barrett: Is that the same telegram?

Mr. Maverick: There were two of them.

Mr. Barrett: In the deposition?

Mr. Maverick: He can deny it, if he wants to.

Mr. Barrett: Go ahead.

[fol. 156] Mr. Maverick: It says, "Trade-mark Bulova universally known is owned exclusively by the factory Bulova of New York and its branch in Switzerland (Stop) Understand you use this mark (Stop) No doubt that you create confusion and in consequence act of disloyal competition (Stop) Invite you to discontinue without delay using this trade-mark otherwise shipments will be cut off. Please answer by return." (Plaintiff's Exhibit No. 15.)

Now this is one received by them from you, which reads: "Referring your recent cable, we cannot understand your interest in sending us so drastic an ultimatum; first of all we have never imported watches from Switzerland with the name you mentioned. Second of all, we are in full compliance with all the laws of Mexico and Switzerland including economical and ethical laws. We do not reply as a counter threat but if you harm us unfairly we have full confidence that the Courts of Switzerland and the political government of Switzerland will sustain us against the unjustifiable complaint. We do not believe that your institutions could be used against us in such a matter." Now, did you send that telegram?

A. Yes.

Q. Then, as a matter of fact, you knew that at least from that period of time——

Mr. Barrett: What is the date of that?

A. When was that? In 1946, I reckon.

Mr. Maverick: 1946.

[fol. 157] A. 1945?—1945.

Q. That was in 1945. Then, as a matter of fact, you, when you took out that application, knew that they would not send you watches marked Bulova, is that correct?

A. Which application?

Q. When you made your application for trade-mark.

A. That was in 1933, the application that I made to the Mexican authorities, that was in 1933.

Q. Are you familiar with the trade practices in the watch business in the purchase of watches in Switzerland?

A. Not exactly.

Q. You did know at that time, however, that they would not put the name of Bulova on there, is that correct?

A. I don't know. I did not need it.

Q. You didn't need it? What do you mean by you didn't need it?

A. I didn't need them to put on the name in Switzerland, because I could put it on in Mexico.

Q. You *heard* Sidney, didn't you?

A. No, I didn't need Sidney either, because I can do that in Mexico.

Q. I see. Why did you have it done?

A. I don't know why; just like any other thing you can do and you don't have to do.

Q. You have known then for sure, since 1945 that nobody in Switzerland will sell you watches with Bulova on them is that correct?

A. According to the cable, yes.

Q. According to this cable. Are you reasonably certain that nobody in Switzerland will sell you watches with Bulova on them?

A. I don't know; I didn't ask anybody.

Q. You didn't ask anybody, but they told you that they won't sell them to you?

A. Who told me?

[fol. 158] Q. They told you that in this telegram.

A. The Union?

Q. The Union.

A. But the factories I buy from, they didn't ask me, and I didn't tell them, and I didn't ask them and they didn't tell me anything about it.

Q. Well, how do you suppose that they got this information?

A. Who?

Q. Why do you suppose that they sent you this wire?

A. I don't know why they sent it.

Q. You don't know why they sent it?

A. But not my manufacturers, they didn't send it.

Q. Did you have any reason to believe, or do you believe that if you asked for watches in Switzerland with Bulova on them, that you would get them?

A. I don't know; I didn't ask.

Q. You don't intend to ask, do you?

A. I don't intend to ask; I didn't ask, and I don't intend to ask.

Q. Now I want to read you a telegram which you sent to the Federation, in Bienne, Switzerland. This is from you. But, first, I want to offer in evidence—I want to put these two telegrams in the Record; I offer them in evidence.

(Whereupon two telegrams were marked for the purpose of identification Plaintiff's Exhibits Nos. 15 and 16, which have just heretofore been read into the Record.)

Mr. Maverick: For the purpose of the Record, I would like for the Record to show that the conversations that I have just had with the witness have been with reference to and related to Plaintiff's Exhibits Nos. 15 and 16, and also 15a.

[fol. 159] Now, I offer for identification as Plaintiff's Exhibit No. 17 this telegram, and I am now going to read this telegram from Mr. Sidney Steele to the Federation, in Switzerland. "We are satisfied original answer was honest and satisfactory and complete. Repeating never received watches from Switzerland marked as you mentioned. Abiding by all laws and ethics in our Country, rejecting alleged complaints any one not established Mexico. You are Swiss. We Mexican. Complainants America. If a tort is claimed that Company may meet us in Mexico Courts of law or arbitration just as if we claimed tort. We would seek adjustment in yours, ours, or American tribunals. Under your would seek adjustment in yours, ours or American tribunals. Under your demand replying that complainants apparent influence with your esteemed organization incomprehensible. Deny your right threatened boycott under rule

of ultravires. Assure you our interest will be protected and defended including counter protective measures in Switzerland and elsewhere. Sidney Steele."

Did you send that?

A. Yes, sir.

Q. When you referred in there, that is, in this telegram, you said—you used the word "Our Country". What did you mean by that?

A. By the Mexican Government. I am established there in Mexico City.

Q. Well, you say "Our Country".

A. I am established in Mexico, and the business is a Mexican company.

Q. Well, I understand that, but you say "Our Country".

A. I said Mexican company.

Q. No, you didn't. You said "Our Country".

[fol. 160] A. Our Country is Mexico City.

Q. What is the name of "Our Country"?

A. The business is in Mexico City.

Q. What is the name of "Our Country"?

A. The business is in Mexico City.

Q. Just answer the question. What is the name of "Our Country", yours and my Country?

A. America.

Q. The United States of America?

A. Yes.

Q. Then, what did you mean when you said "Our Country"?

A. Our Country—the business is in Mexico.

Q. Well, when you said "Our Country", you were in Mexico, and you meant Mexico?

A. It says down there (indicating) the Company answered the cable. "We" it says.

Q. You are arguing now?

A. That is the Company.

Q. When you said "Our Country", what did you mean?

A. The Company answered the cable.

Q. The Company?

A. The Sidney Steele Watch Company answered the cable.

Q. It is signed Sidney Steele individually?

A. Yes, but Sidney Steele individually would not say in the beginning "we". There was a letter down there re-

ceived from them I believe, that went directly to the Company.

Q. And when you said "Our Country", you meant Mexico, is that right?

A. That's right. The business is in Mexico.

Q. And when you said to those people, "You are Swiss", you meant that, didn't you?

A. Yes.

Q. And when you said, "Complainants are Americans", you meant that, did you not?

A. Yes.

[fol. 161] Q. And then when you said, "We are Mexicans", you meant that, did you not?

A. The business is Mexican. It says: "We". I could not say for myself that I am "We".

Q. Well, now, who does "We" consist of?

A. The Company.

Q. What is the Company?

A. An organization that is in Mexico City.

Q. And what is the Company?

A. The Sidney Steele Watch Company.

Q. Is it a corporation?

A. No, sir.

Q. What is it?

A. A regular Company, between me and my cousin.

Q. You and your cousin?

A. That's right.

Q. As individuals?

A. Yes, sir.

Q. Then, as individuals, you claim to be Mexican, is that right?

A. No, sir. "We" is a Mexican Company. I answered that.

Q. Is your cousin a Mexican?

A. No; he was German.

Q. What Country is he a member of?

A. He hasn't got any nationall-y right now. He was a German.

Q. He is a stateless person?

A. Yes, sir.

Q. How would he get to be a Mexican then?

A. Sir?

Q. How would he get to be a Mexican? You say, "We". It is composed of individuals who are Mexicans?

A. The Company is organized in Mexico, and is a Mexican Company.

[fol. 162] Q. How do you mean organized in Mexico?

A. We organized a Company, between me and my cousin.

Q. Didn't you dissolve your Corporation and your Company?

A. The Corporation was dissolved and it is not a Corporation.

Q. Well, what kind of a Company is this?

A. What do they call it? What do they call a Company down there anyway?

Q. Well, you tell me what it is; tell me what it is.

A. A limited Company, between me and my cousin; that is all.

Q. Between you and your——

A. Certain stock I have, and the rest he has.

Q. But it is not a Corporation?

A. No, sir.

Q. It is a partnership?

A. A partnership, that's right.

Q. A partnership?

A. That's right, yes, sir.

Q. If you are a partnership, then, you are not a Mexican Company, is that right?

A. Why isn't it a Mexican Company?

Q. It just isn't a company.

The Court: I think that you are getting——

Mr. Barrett: We object to the argument with the witness.

The Court: I think that you are getting into an argument with the witness. Go ahead with the facts.

[fol. 163] Mr. Maverick: In other words, however, when you said "We Mexicans" you were referring to yourself, is that right?

A. No, sir, to the Company.

Q. To the Company. Then you went on to say, "Just as if we claimed tort, we would seek adjustment in yours," and that is the Switzerland Courts, is that right?

A. Yes, sir.

Q. And "Ours", that is the Mexican Courts, is that right?

A. That's right.

Q. "Or American tribunals".

A. That would be in America.

Q. In the United States, but when you say "Ours" you mean the Mexican tribunals?

A. That's right.

Q. And this is a telegram, or a cable, which was sent to you individually; that is correct, isn't it—I mean sent by you individually?

A. I sent it for the Company.

Q. But you signed it individually?

A. You pay for every word you send in a cable, so, to save money, you don't have to put in the whole Company.

Q. Now, in the changing of watches, I have here a picture of a watch, and I will show you two original watches. I have two watches here that I want to show you, and I want to ask you about these watches. I cannot make you open the watch and show it to me. I can have my own witness to do this, but I would like to ask you if these are watches which you sold (exhibiting to the witness two watches in a case)? (Marked for identification Plaintiff's Exhibits 18 and 19).

A. May I open the movements?

Q. Yes. You may open the movements; I want you to do anything that you want to do with them.

[fol. 164] A. Yes.

Q. That watch came from you?

A. Yes, sir.

Q. Where was the watch purchased?

A. Sir?

Q. Where were the component parts purchased?

A. The case in the States.

The Court: Have you had them marked for the purpose of identification?

Mr. Maverick: Yes, I put these in evidence for identification; this one is marked Plaintiff's Exhibit No. 18.

A. The case and dial was bought here in the United States.

Q. The case and dial?
A. And the movements in Switzerland.
Q. And the movements in Switzerland?
A. That's right.
Q. Has the interior of this had stamped on it Bulova?
A. On the movements, yes.
Q. Do you want to see it (addressing the Court)? Open it up and show it to the Judge, so that he can see how it is done. Here is an extra one of these things (referring to an eye piece); you may have to use one of those, Your Honor.
A. You want me to open them?
Q. Yes. There is something on the movement?
A. It is engraved.
Q. There is stamped the word Bulova?
A. It is engraved on the movement.
Q. You engraved it on there?
[fol. 165] A. Yes, sir.
Q. It then didn't come that way from Switzerland?
A. No, sir.
Q. Where did you get the dial?
A. Right here in the States.
Q. And where was the word Bulova put on it?
A. In Mexico.
Q. You put the word Bulova on there in Mexico?
A. Yes, sir.
Q. Where did you buy the dial?
A. It must have been from Berna Swiss Company.
Q. Berna Swiss?
A. Yes, sir.
Q. That is where you bought the dial?
A. Yes.
Q. Where did you buy the case?
A. From different factories we bought cases.
Q. Where do you generally buy your dials from?
A. Berna Swiss.
Q. Berna Swiss; a great majority of them?
A. Yes, sir.
Q. Practically all of them?
A. I will say yes, but there are some other places also that we buy from.

Q. What other places?

A. I don't know, because we have a fellow in New York that does the buying for us.

Q. Who is he?

A. Morris Hoffman.

Q. Morris Hoffman?

A. Yes.

Q. What is his address?

A. 580 Fifth Avenue.

Q. Did you ever buy a single dial from Berna Swiss with Bulova——

A. No, sir.

[fol. 166] Q. ——stamped on it?

A. No, sir.

Q. Never bought one?

A. No, sir.

Q. Now, that is the ladies' watch there; did you show both of them to the Court?

A. Yes.

Q. Did he see both of them?

A. Yes.

Q. And both of these have cases from the United States?

A. No, sir, this is a Swiss case (indicating).

Q. This man's watch has a Swiss case?

A. Yes, sir.

Q. What about the dial?

A. It is also Swiss.

Q. The man's watch is a Swiss case; what about the dial on it?

A. Yes, sir.

Q. And you placed Bulova on it after you got it?

A. That's right.

Q. Now, these figures here, the hours, 12, 1, 2 and so on, were they on there when you got it?

A. Yes.

Q. That was on there when you got it?

A. Yes.

Q. Then, when you took the movements out, on the back you stamped Bulova on it?

A. On the movements, yes.

Q. Now, the ladies' watch, the case and the dial came——

A. From America.

Q. From the United States?

A. That's right.

Q. And you stamped Bulova on the dial?

A. Yes, sir.

[fol. 167] Q. And you also stamped it on the movement?

A. Yes, sir.

Q. Where did you buy the case?

A. From different places; from the Elite.

Q. What?

A. The Elite Watch Case Company.

Q. And the address?

A. 150 Varick Street.

Q. What City, New York City?

A. New York City, that's right.

Q. All right.

A. And the Acme Watch Company, or Acme Watch Case Company, 260 or 270 Lafayette Street.

Q. Lafayette Street, New York City?

A. Yes, sir. New York City, yes, and many of them were bought also by Morris Hoffman, but I don't know the names of the places where he obtained them.

Q. When Morris Hoffman sends you those watches, doesn't he send you an invoice showing where they come from?

A. No, it doesn't show where they come from, because that remains with the invoice when he buys them, and he makes one out in his office.

Q. Have you got a complete list of all the places or the people where you get dials and cases now?

A. No, I don't.

Q. You have just given us two.

A. Two that I bought from lately myself.

Q. Well, there must be more than that; who else now?

A. I don't remember about any more; Acme and Elite.

Q. You don't remember, or you think there might be more?

A. Morris Hoffman can tell you the others; I don't know the names of the others where he bought.

Q. Did you also buy watches from Invicta?

A. In Switzerland, yes.

[fol. 168] Q. Or portions of watches from Invicta?

A. In Switzerland, yes.

Q. Where do you buy dials besides from the Berna Swiss Company?

A. I don't buy any other dials from anybody else.

Q. The only dials you buy are from the Berna Swiss Company?

A. From the Berna Swiss Corporation or Company.

Q. What amount of advertising, do you do, Mr. Steele?

A. In what respect?

Q. Of Bulova products?

A. Very little in newspapers and magazines; at the beginning we did, but my personal efforts, as well as the salesmen, they do the advertising particularly.

Q. You advertised when, what year?

A. Through the salesmen through the whole year, all around; they go out.

Q. I am talking about advertising in newspapers.

A. Newspapers, very little in the beginning.

Q. How long did you advertise?

A. It was not exactly a newspaper, but it was a magazine.

Q. Did you advertise in any newspapers?

A. No, sir.

Q. Did you advertise, you say, only in trade journals?

A. What?

Q. How did you advertise, in what way; by printing; what kind of advertising did you do?

A. Well, we gave it to the magazines at that time, and we had it for a few months, and it didn't give results, and I gave it up, and then later we started ourselves directly to work and interested the public to buy.

Q. All right. I want to ask you about this: Here is a picture of a watch. Here is a watch where something has been removed there; did you ever do anything like that [fol. 169] (indicating); did that watch come from you (handing instrument to the witness)?

A. No, sir, no, sir.

Q. How do you know?

A. Because we don't do that kind of work, and for the time being, we don't have any 21-jewels; this is marked 21-jewels.

Q. This might be a long time ago.

A. No, sir. Now, we only have 17.

Q. Well, now, here is another one marked Bulova; might that be yours (referring to Exhibit No. 21)?

A. I don't see any.

Q. Bulova is on there.

A. Where is it?

Q. Right there (indicating on Exhibit No. 21).

A. I don't see it. I don't see it.

Q. Your Honor, I would like to show you the Bulova on here, because this might be important later on.

The Court: Are you introducing that in evidence?

Mr. Barrett: May it please the Court, the identify of the watch, or whatever that is, which it purports to be a picture of or represent a picture of, has not been produced or accounted for.

The Court: That is one reason that I wanted to have it marked.

Mr. Maverick: It is going in for whatever it is worth, what it turns out to be.

[fol. 170] Mr. Mathews: It is pretty hard for us to make an objection, to just a picture that nobody has identified.

The Court: He hasn't introduced it at this time.

I asked the question in order that he might have it marked for the purpose of identification.

Mr. Maverick: Did you see "Bulova" on that, Judge?

The Court: Yes.

Mr. Maverick: You cannot see Bulova?

A. No.

Q. I want to ask you about information that we have requested of you, first through you, and then through your attorney lately, and ask you if you are ready to produce these. The subpoena that was served on your attorney, or the notice to produce, did you have that? Was that given to you?

A. I couldn't take it out of Mexico.

Q. Excuse me; you got that notice, though?

A. Which notice?

Q. A notice recently, and then a notice sometime ago; the same this time as before.

A. I did not get it; the last time you served on me here.
Q. You got no notice this time?
A. No, sir.

[fol. 171] Mr. Mathews: You served it on us, and we got it.

Mr. Maverick: Your Honor, the situation is, I served a subpoena, and a notice to take depositions and asked for this information, and it was not produced the last time, when we took the deposition several months ago, so, we served notice to produce on the attorneys, or a subpoena duces tecum on Friday, and we thought that sufficient, to have that information here, because there has been no notice of that all this period of time, for several months, as to what information we wanted. If we had asked for this information suddenly; for two or three days, or five days, or even a week, or even two weeks, it would be unreasonable to ask for it, but we served a notice on the attorney, and he had that information on behalf of Mr. Steele.

The Court: Who had that information?

Mr. Maverick: The attorneys for Mr. Steele, this last time. It was a duplicate of the other. As a matter of fact, we got this up by cutting it out of the other and pasting it on the subpoena. That is how we did it. It is exactly the same, and there was some controversy about this before, but the notice was served on the attorneys for the other side, representing the Defendants, and this asked for about twelve different documents. I would like to enumerate these documents that we have asked for, and the question is whether under the circumstances he should produce these documents, and we contend that he should, on account of the fact of having asked for them before. I am talking about from a procedural viewpoint. The question of whether he can furnish these or not, that is something else, but he has [fol. 172] been on notice of that ever since we filed this lawsuit, and ever since we took the deposition, which has been about eight months, that we wanted these particular documents. He has had knowledge of that for many months.

The Court: All right. What do you want the Court to do about it?

Mr. Maverick: Well I will ask him whether he has got these documents.

Mr. Mathews: I think that we might, in fairness to the Court, make this statement. These demands were made prior to taking the oral deposition of this Defendant, which deposition was taken last September. At that time, this Defendant produced all of these things that he could produce, and accounted in his deposition, and they already have his reasons for not producing the others. Now, I assume that they want to ask the same questions and get the same answers again.

Mr. Maverick: No, we don't want to get the same answers.

Mr. Mathews: Well, you will get the same answers, because that is all we can do. We produced everything they asked for that this Defendant has, including four years' records of the sale of watches. Now, they asked him to produce—I think his entire books and records, and he attempted to get permission of the Mexican Authorities to bring those up here, and it was declined, and that was given to them, and it was attached to the deposition, and they knew that he had declined to bring them, because he couldn't [fol. 173] in September of last year. Now, they are not here, and he cannot bring them here, and certainly notice last Friday night on the attorneys certainly was not the way to get them, if they thought that they were entitled to them last September. You will find specifically the statement that they were unavailable, and could not be brought last September, and they should have brought the matter up before the Court before, and not appear at the trial, but between then, but the answer is here now the same as it was then.

The Court: All right. Go ahead.

Mr. Maverick: Mr. Steele, I ask you for the following information. One, a copy of all your Mexican registrations of the name Bulova as registered by you and/or Steele & Company, or anyone else on your behalf.

A. I think that we have that, or a photostatic copy of it here.

Mr. Maverick: Have you got that?

Mr. Barrett: Well, that was attached to the answer that was served on Counsel.

The Court: In other words, that is filed in Court?

Mr. Barrett: Yes, sir.

[fol. 174] Mr. Maverick: Well, there is more than one registration, is there not? Is there not more than one registration for Bulova?

A. Only one for Bulova.

Q. Only one?

A. That is what you are talking about.

Q. Now, the second one is a list and copies of all of your advertising and those of the Sidney Steele & Company, using the Bulova name in Mexico, Cuba, France, Latin-America, and any part of the Southern United States, or any other place in the World?

A. Advertising? Well, you asked me, and I told you that it was very little done, as far as newspapers or magazines, but just by my personal efforts, and the salesmen going out traveling, when they do the work.

Q. All right; did the Mexican Government prevent you from bringing those advertisements up here?

A. Sir?

Q. Did the Mexican Government prevent you from bringing those advertisements up here?

A. Doing what?

Q. Bringing those advertisements up here?

A. I don't have any advertising since 1933 or 1935, that is what I am trying to tell you.

Q. Did you make an effort to get them out of the files?

A. There are no files, only from 1944.

Q. The newspapers have files?

A. Sir?

Q. The newspapers have files?

A. We tried to get some newspapers, and they got lost; they don't have any more, even newspapers.

Q. All right. "The name of your advertising agency or agencies and copies of all bills paid by you to them for advertising of the name Bulova, by you or by Sidney Steele & Company?"

[fol. 175] A. I don't have any agency.

Q. You didn't have any agency. You had bills though, did you not?

A. The advertising, we do it ourselves, if we did any advertising.

Q. Well, did the Mexican Government prevent you from bringing those bills up?

A. Any bill has to remain in Mexico, in the Mexican Government files that they have.

Q. Why didn't you bring copies of them?

A. Well, we made you an offer, as I remember, last time, when you wanted photostatic copies, that you should pay for them, and after all, I invited you to Mexico at the time last fall, when you wanted to take my deposition, and you asked me that I should pay your fare, and you didn't want to come down there.

Q. I didn't ask you anything.

Mr. Mathews: Well, I don't know that I should state the fact to the Court, but we offered these people an opportunity to go to Mexico and take the deposition there where the records could be seen and interrogated about, and they refused to do it. We are not trying to conceal any of these records, and we have produced everything that we could find, that was possibly relevant here.

Mr. Maverick: (Reading) "Four: Bring a list of all watches, watch movements, watch cases, watch dials, or any other products offered for sale by you, with the name Bulova imprinted, engraved, affixed, or stamped thereon in any manner whatsoever." Did you have a list of sources of watches? That doesn't require any photostating. Did you bring that list?

[fol. 176] A. No, sir, I did not bring it, because, first of all, you cannot tell from the shipments or from the invoices which one is the Sidney and which one is the Bulova.

Q. Or an Erma?

A. Sir?

Q. Or an Erma?

A. You cannot tell anything from that. If you want to see them, I am more than glad to show you all of the invoices in Mexico City.

Q. You don't keep a record of the imprints of Bulova that you put on others?

A. No, sir.

Q. You take any kind of a watch and make a Bulova out of it; is that it?

A. I can take any watch from the same shipment and put Bulova on it.

Q. (Reading) "Number Five: Produce all shares of stock in Steele & Company. Six: Produce the Minute Book of Steele & Company. Seven: Produce a complete list of dealers and customers and other retail or wholesale outlets from whom you and Sidney Steele & Company have sold watches, movements, watch cases or watch dials bearing the name of Bulova." What about those?

A. Well, isn't that the list that you have there?

Q. I have a list there from 1944 through 1949.

A. That's right. What else do you want?

Q. What about down to date?

A. Sir?

Q. What about down to date?

A. Down to date, I didn't bring any, but just up to August, when I gave you the list. I didn't know that you wanted to have it up to date.

Q. And there is no way that you can get any record of anything that you did before 1944, either by memory——

A. No, sir.

[fol. 177] Q. Or otherwise?

A. No, sir, I don't have any.

Q. Everything is gone; you have neither memory nor records before that?

A. I don't have any records before that.

Q. And no memory. You still have 1944 in Mexico, don't you?

A. Yes, sir.

Q. That is more than five years.

A. I still have them.

Q. That is six years.

A. But I don't have to have them. According to the laws of Mexico, just five years you have to keep them.

Q. (Reading) "Eight: Produce all of your ledgers, journals, and books of account, showing income, disbursements and all transactions of merchandise bearing the name of Bulova, whether for you as individual, or through the Steele & Company. Nine: Produce all income tax returns filed by you or by S. Steele & Company since you or Steele & Company have been using the name Bulova, whether filed

with the Mexican Government or the United States of America, showing profits and earnings of the Bulova Enterprise."

A. Well, the income tax papers usually don't show any you made from a specific watch or article. In the income tax, it is sufficient to put in there everything together, that is, how much you make, and you file your papers.

Q. Have you any of your records of your income taxes in the United States?

A. Yes, sir, I don't know if I have them here, or in Mexico, but I have them.

Q. You have kept your American records of your income tax payments?

A. Yes.

Q. Why didn't you bring those?

[fol. 178] A. I didn't know I had to have them here. I don't know if I have them here, or in Mexico City.

Q. The request here is for any income tax statements filed with the United States Government or the Mexican Government.

A. The Mexican Government papers are positively in Mexico, but I don't know if mine of the American income tax I have here or in Mexico.

Mr. Mathews: Well, as to that, Your Honor, of course we don't have to produce it, but we have produced it. I don't think the Court probably would order a man to produce his income tax returns in a case of this kind, on the ground that it is not relevant to the case, especially in view of his testimony, that it doesn't show anything specifically about the watches.

Mr. Maverick. Q. (Reading) "Ten: All records of the imports of watch movements, watch cases, watch dials, or watches from Switzerland or the United States, or any other place, whereon the name Bulova was stamped or affixed in any manner whatsoever, or to which you affixed it in any manner, after receipt of those articles."

A. Yes; they are all in Mexico.

Q. That could have been brought, couldn't it?

A. Could not be brought. Only duplicates or copies you can get, but not the originals.

Q. Why didn't you bring duplicates?

A. Because you didn't want to stand the expense of making any.

Q. (Reading) "Eleven: All receipts for duties paid to the Mexican Government by you or the Sidney Steele & Company on watches, watch cases, watch movements, or watch dials, imported by you from Switzerland, France, [fol. 179] the United States, or other parts of the World, whereon you already had the name Bulova stamped, imprinted or affixed, in any manner whatsoever, or whereon you subsequently affixed the name Bulova by stamping or otherwise."

A. The same answer; everything is in Mexico.

Q. (Reading) "Twelve: The names of any factories or firms that have supplied you with any watches, watch cases, watch movements, watch dials, upon which you affixed or had affixed the name Bulova in any manner whatsoever, and complete records of the cost of all such deliveries to you."

A. The same answer.

Mr. Maverick: I would like to call to the attention of this Honorable Court that none of the information that we requested was given, partly on the pretext that the Mexican Government wouldn't permit it, or that we should go down to Mexico and look over those books. Much of the information that is requested in there could be gotten together by clerks spending a few minutes writing out that information, such as the information asked, from whom watch cases and the like were bought, the records themselves, but we are met with the answer here that it is impossible to do so, and that he does not remember. Now, that is the situation that confronts us. Whether that is essential to show that he has taken over the name of Bulova without authority, I don't know, but that information, nevertheless, has not been brought into this Court nor any part of it, and I would like to submit that to the Court for whatever the Court cares to say about it or do about it.

The Court: Well, what is your idea about what the Court can do about it?

[fol. 180] Mr. Maverick: Well, I think the Court can—could order him under the subpoena to bring a considerable amount of that information here. The income tax matter,

that is a legal question the Court can pass on, but on the matters that concern watches and the stamping of watches, that is an important matter which——

The Court: Well, he said that he offered to let you take photostatic copies of all of the records in Mexico City; is that correct?

Mr. Maverick: Yes, sir, that is correct.

The Court: Well, I think since that offer was made, that he has offered to make a full disclosure which has not been taken advantage of with respect to those matters.

Mr. Maverick: I don't know that a lawsuit, under the usual rules of procedure, when certain things are asked for, that a man can keep from bringing in certain things by saying that you can come over and take photostats of them. I don't have the experience which——

The Court: He made the statement that the laws of Mexico would not allow him to take them out, but he has offered them to you, and you can photostat them whenever you wish.

Mr. Maverick: Well, on its face, Your Honor, when you ask for information concerning companies from whom he [fol. 181] purchased, there is no law that we could reasonably assume—I think that the Court could take judicial notice that there is no law which would prevent him from giving you that information, if not first-handed, second-handed.

The Court: You mean as copies of those records?

Mr. Maverick: Yes, as to the places from whom they bought cases, and from whom he bought movements, and the like; what his records show with reference to that. We are forced to get here——

The Court: Well, as I understand it, he also offered to permit you to take photostatic copies of those records, if you desire to do so.

Mr. Maverick: Well, it is a question, Your Honor, of whether when a lawsuit is filed, whether it is an imposition to ask somebody to go a long distance to get photostats, when certainly some of them could have been given.

Mr. Matthews: May I call attention to the fact that the Plaintiff brought this lawsuit, and it is not up to the Defendant to go to great expense and labor to get his material

for him. If he makes it available to him, that is all, that I ever heard that the Plaintiff could ask for. In other words, we don't have to prepare his case. Of course, we don't know what he wants to photostat. He calls for records that are unidentifiable under the testimony here. In other words, for instance, he wanted to know all that were imported from Switzerland or any place else on which the word [fol. 182] Bulova was put, and the invoices, the witness testified that he couldn't identify the invoices on those on which he put Bulova at all, that they came in enmasse, in blank.

The Court: I remember that explanation.

Mr. Matthews: And how could he photostat those with the name Bulova, when he didn't know, and if they had gone down there, they could not have found out.

The Court: Well, let's go on to something else. I will think about this matter, but I am disposed now to leave it as it is.

Mr. Maverick: I just want to take thirty seconds to say this, Your Honor. One of the things was to bring a list of all sources of the watches; a list; that is not any record; that is a simple thing and not expensive.

Mr. Mathews: Your Honor, when we appeared at the deposition, Mr. Steele gave them a list of those watches, and they are in the deposition and they have been; we don't have to do it twice.

Mr. Maverick: But, that is a list which has been made up in the last four or five years.

The Court: Well, what did you ask him for?

[fol. 183] Mr. Maverick: I asked him for a list of all sources of watches, watch movements, watch cases, and watch dials, or any other product offered for sale by your or the Company with the name Bulova imprinted, engraved or affixed or stamped thereon. Now, he didn't give any sources of watches. He gave a list of watches which he allegedly sold in the last four years.

Mr. Mathews: No, he gave you the name of the Swiss manufacturers from whom he bought all of the movements. He gave you the name and the address in Switzerland in

the deposition, at the time that you asked him to produce it the first time, and we do not have to produce it but once.

Mr. Maverick: Well, he gave a list of those that he sold too but——

Mr. Mathews: And in addition to that it asked for them with the name Bulova stamped on them, and the witness has testified that there were none of those, and that ends it, and we cannot produce a list of something that we bought that is not.

Mr. Maverick: Now, I want to ask you about your residence just preceding, let's say 1926—when you were naturalized?

A. 1926.

Q. 1926?

A. Yes, sir.

Q. Can you remember what addresses you placed on your Naturalization application as to your addresses?

A. No, sir.

[fol. 184] Q. Do you remember what addresses that you gave just before you became naturalized?

A. I do not.

Mr. Barrett: Talk a little louder, Mr. Steele.

A. I don't remember.

Mr. Maverick: Q. During that period of time, that five years preceding that, how many places, can you remember where you stayed?

A. After which five years?

Q. Just preceding the time that you were naturalized.

A. I think that it must have been on South St. Mary's; I am not positive.

Q. You are not positive. How much of the time were you here?

Q. In other words, a month here and a month there? in Mexico.

Q. In other words, a month here a month there?

A. Yes.

Q. Did you keep your quarters at this place on South St. Mary's?

A. Yes.

Q. How long did you stay there?

A. I was there about three or four years.

Q. And what other places did you stay?

A. At Evergreen, or was it Laurel; I believe it was Laurel Street, three or four years, I guess.

Q. Another three or four years. Did you ever stay any other places other than those two places?

A. Yes, sir; I had many different places, but I don't remember.

Q. Well, how many; how many?

[fol. 185] A. I couldn't tell you how many.

Q. When you were staying at this place on South St. Mary's did you stay there continuously?

A. For the time that I was there, yes.

Q. And that was how long, three years?

A. About three years, I was there.

Q. And then after that, you stayed at the Laurel place?

A. Yes.

Q. Was that continuously?

A. Yes, sir.

Q. Between what years was that?

A. I don't remember.

Q. Was that from 1923 to, let's say, 1926?

A. No; it must have been 1930, or 1932, or 1931; I don't remember when it was.

Q. Well, just preceding the time that you were naturalized. You can remember——

Mr. Barrett: If the Court please, that has been gone over once or twice.

The Court: I know it has, but I don't believe that it has with respect to this particular date.

Mr. Barrett: Well, they asked him every year where he lived, Your Honor, and this is repetitious; I don't know what the purpose of it is. I don't know whether they are trying to undo his naturalization, or try him for that or not.

The Court: What is the materiality of this?

[fol. 186] Mr. Putman: May it please the Court, the materiality is as to credibility of the witness. He swore in his application for naturalization that he had lived here for a period of five years preceding that application and that

naturalization in this Court House at San Antonio, and we have that information, and I think that we can show the Court that he was not in Texas, or the United States during that period of time.

The Court: All right, I will admit it for that purpose alone. Go ahead.

Mr. Maverick: It doesn't have anything to do with his naturalization.

Mr. Putman: It is for the purpose of passing on the credibility of the witness.

Mr. Maverick: Now, before, when I asked you the questions, you wouldn't give the answers. But now you state that between 1923 and 1926 that you lived on South St. Mary's Street, and on Laurel Place?

A. I don't know which years they were.

Q. Now, your statement now is——

A. Before I was naturalized, I was single, and used to live in a furnished room around here, and so many of them, that I don't remember where I used to live.

Q. When did you get married?

A. In 1926.

Q. In 1926?

A. Yes, sir.

[fol. 187]. Q. But during that period, before 1926, you say that you stayed at two places; is that right?

A. I stayed in different places, but I cannot tell you where.

Q. Well, can you positively say that you stayed on South St. Mary's Street?

A. It must have been after 1926, after I was naturalized.

Q. All right, after you were naturalized?

A. It was either in 1932 or 1933; I don't remember when it was.

Q. Well, did you stay on Laurel Place before 1926?

A. I don't recall. I was on Laurel when I was already married.

Q. You were married?

A. Yes.

Q. And when you stayed on South St. Mary's, were you married?

A. Also married.

Q. Then, all of the times you were talking about was after 1926?

A. After 1926.

Q. Well, will you state to me, can you remember any address that you stayed at before 1926?

A. No, sir.

Q. How many places did you stay? Did you testify before—well, that's all. That's all we want to ask him.

Mr. Barrett: If the Court please, we will reserve the right to interrogate the witness further.

The Court: All right.

[fol. 188] Mr. Barrett: When we put on our case.

The Court: All right.

Mr. Putman: Your Honor, I wish to say that our next witness—the next witness speaks Mexican, and I wonder if there is any interpreter here.

The Court: I don't think so.

Mr. Maverick: We thought, Your Honor, that they were going to do some cross examination of the witness, and we assumed that they would consume some time, and that we would not reach this man until tomorrow morning, and we only missed it about a half an hour at that.

The Court: You mean that you have no other witness?

Mr. Maverick: We have a witness ready, but he speaks Spanish.

Mr. Putman: And we don't have any interpreter here.

The Court: Well, can you provide one in the morning?

Mr. Maverick: Yes, sir.

[fol. 189] The Court: Well, you had better agree on one.

Mr. Maverick: We will agree on Mr. Barrett. We trust him.

Mr. Barrett: I prefer not to be an Interpreter in a case, where I am an attorney, Your Honor.

Mr. Maverick: Well, we will get one.

Mr. Putman: We will get one.

Mr. Maverick: We will get one, if he doesn't want to do so.

The Court: And if he isn't interpreting correctly, you can raise the question then.

Mr. Maverick: We will get one. Do you have any suggestions? Does the Court have any regular Interpreter?

The Court: No.

Mr. Putman: How about Jimmy Tafallo? He is a member of the Bar.

Mr. Barrett: I think that he is very good.

[fol. 190] Mr. Putman: Well, we will talk to Mr. Tafallo.

The Court: All right. The Court will recess now until 9:30 o'clock tomorrow morning.

(Whereupon at 4:55 P. M., on April 17, 1950, an adjournment was taken until 9:30 o'clock A. M., April 18, 1950.)

San Antonio, Texas, April 18, 1950, 9:30 A. M.

(Court met pursuant to adjournment.)

Mr. Maverick: If the Court please, I would like to return Mr. Sidney Steele to the stand.

SIDNEY STEELE, one of the Defendants herein, having been previously sworn, was recalled to the stand by the Plaintiff, for further direct examination, and further testified as follows:

Mr. Maverick:

Q. Mr. Steele, in placing the name Bulova on the dials, now is that done?

A. With a stamping machine that I have in Mexico.

Q. Describe that machine.

A. It is a stamping machine, on the dials.

Q. A stamping machine?

A. Yes.

Q. Please describe it fully.

A. Well, it has a gelatin pickup of the name from one plate, which moves on the dial; it takes up the ink and puts it on the dial.

[fol. 191] Q. How big is it?

A. Maybe something like that, in size.

Q. Just say how high; is it a foot, or a foot and a half, or two feet?

A. About two feet, I guess.

Q. What is it composed of?

A. Metal.

Q. Completely of metal?

A. Yes; it is just gelatin that picks up the ink and puts it on the dial.

Q. Does it have movable parts?

A. Well, this is a moveable part, that the gelatin is attached to it.

Q. You say it is how high?

A. About that high (indicating).

Q. Well, I mean say so we can have it for the Record.

A. About two feet.

Q. About two feet high. Two feet high. Does it have a handle on it for stamping?

A. Yes, sir, to bring it down.

Q. It has a handle on it for stamping. The portion that does the stamping, you say it has gelatin in there; is that correct?

A. That's correct.

Q. And has it a die in there?

A. No, it doesn't have any die, but the gelatin picks up the ink from the plate, and puts it on the dial.

Q. What plate are you referring to?

A. The engraved name, the Bulova name engraved on the plate.

Q. Where was that machine purchased?

A. I think that it was purchased in Switzerland.

Q. Well, now, I would like to know for sure where it was purchased?

A. It was in Switzerland.

[fol. 192] Q. You bought that in Switzerland?

A. Yes.

Q. Did you ever buy any of those machines from the United States?

A. I don't think so, no.

Q. And the plate?

A. The plate is engraved in Mexico.

Q. The plate was engraved in Mexico?

A. Yes.

Q. Where was it engraved?

A. In Mexico.

Q. Where in Mexico was it engraved?

A. Well, there was a Mexican fellow that came up down there, and I got him to make it.

Q. How did he happen to come in there?

A. I called him in.

Q. What was his name?

A. I think it is Vincente Gomez.

Q. Vincente Gomez; what is his address?

A. I don't know his address now.

Q. What is his business?

A. He is just an engraver.

Q. Has he got a plant?

A. No, sir; he makes it by hand.

Q. Does he work in any other place?

A. No, sir.

Q. Well, is he an ite-rant engraver or what is he?

A. Just an engraver.

Q. How did you happen to get his name?

A. I knew him for many years before; I knew him—oh, maybe about ten or fifteen years.

Q. What is that engraving on; what metal is it on?

A. A plate, steel.

Q. Is it on steel?

A. Yes.

[fol. 193] Q. What other engravings did he make for you?

A. No other engraving. He made also a Sidney.

Q. A Sidney?

A. Yes.

Q. Did he make an Erma?

A. That I don't know; possibly he made an Erma too.

Q. Well, did he or not?

A. He may have done it. I guess he did.

Q. You guess he did?

A. Yes.

Q. Well, did he or not?

A. He did.

Q. Did he make one for Evelyn?

A. That I don't know.

Q. And did he make any other dies?

A. No, sir.

Q. How would you go about finding this man?

A. He was recommended to me by another fellow.
Q. Who recommended him to you?
A. Another Mexican; I don't know this fellow's name.
Q. Well, how would you find Vincente Gomez; how could he be found?
A. I don't know; I would have to investigate in Mexico.
Q. Well, is he a man that calls on you frequently?
A. No, sir.
Q. Have you any idea in what part of town he lives?
A. No, sir.
Q. You don't remember who recommended him?
A. I might try to find him out from the other engravers.
[fol. 194] Q. Do you know the name of the man who recommended him to you?
A. No, sir.
Q. What kind of a man was the man that recommended him to you?
A. What do you mean by what kind of a man?
Q. Was he a jeweler?
A. I don't know—no; I think that he was a watchmaker; he was a watchmaker.
Q. Where did he have his business, this watchmaker?
A. I think on Santigeronimo.
Q. This man that recommended Vincente Gomez to you, how long ago did you talk to him?
A. I didn't see him for a long time.
Q. How long would that be?
A. Maybe about ten years, or nine years.
Q. Ten years ago; were these dies made ten years ago?
A. Yes.
Q. And you are using the same dies now?
A. Yes.
Q. Have you had any dies made in the last few years?
A. I don't know; I don't think so, no.
Q. Well, have you or not?
A. No, sir.
Q. You had the dies made by Vincente Gomez ten years ago?
A. Yes.
Q. And you've had none made in Mexico since?
A. I don't believe I did.

Q. Well, I would like to know definitely whether you have had any made since then?

A. No, sir.

[fol. 195] Q. Did he make any other dies?

A. The dies I told you about, the Sidney and possibly the Erma.

Q. Can you definitely state whether he made Erma or not?

A. I think he did make an Erma too.

Q. Well, state whether or not he did.

A. Yes, he did.

Q. Did he make Evelyn dies?

A. I don't remember that any more.

Q. In making these dies, what year, or approximately what year would that be, in making them—in making those engravings, I means, approximately what year would that be?

A. It would be about 1938 or 1939.

Q. About 1938 or 1939?

A. Yes.

Q. Have you seen this man since then?

A. No, sir.

Q. You have never seen him since?

A. No, sir.

Q. Have you had any dies made, or any engravings made or impressions made by any Company since that time?

A. I made some before, in about 1933.

Q. Where did you get those?

A. They were also made in Mexico.

Q. Did you get any in Switzerland or the United States?

A. No, sir.

Q. Have you had any made since 1939?

A. Not since 1939.

Q. By anybody?

A. No, sir.

[fol. 196] Q. What about the stamp that you put on the movements, where were they obtained?

A. This we make ourselves; we warm the gelatin and make those up.

Q. On the movement?

A. On the molding; we mold the gelatin, and that is all we have to do.

Q. Putting the stamp of Bulova on the back of the movement, that is the gelatin process?

A. We punch in the name.

Q. Where did you get the punch?

A. I believe it was in Mexico that it was made.

Q. Mexico?

A. Made in Mexico.

Q. Where in Mexico?

A. Also an engraver made that up.

Q. An engraver made that up?

A. Yes, sir

Q. Who made it?

A. Maybe the same fellow.

Q. Maybe the same fellow, but I want to know who made it?

A. The same fellow.

Q. The same fellow?

A. That's right.

Q. Vincente Gomez?

A. Yes.

Q. How many did he make?

A. Two of them.

Q. What were the names?

A. Sidney and Bulova.

Q. And Erma?

A. Yes.

Q. Would you describe what those are like, what that stamp is like?

[fol. 197] A. Well, it is just one piece of metal, and on the bottom is engraved the name; that is all.

Q. Describe that; is it a tool?

A. It is like a tool.

Q. How long is it?

A. It is about that size (indicating).

Q. How long would that be?

A. That would be seven inches—about seven or eight inches.

Q. About seven inches; how big is it in diameter?

A. It is narrow; it is metal, about the size of a pencil.

Q. When you place that Bulova on there, how is the movement on that?

A. Under that.
Q. Under that?
A. Yes.
Q. What keeps it from breaking the movement?
A. We take off the part that it is punched on.
Q. You take off what?
A. That piece of plate.
Q. You take off the plate?
A. Yes, sir. A part of the plate is taken off.
Q. And then you place it where?
A. Above the movement on the plate.
Q. And where do you place the piece?
A. Under the part that is to be engraved.
Q. You put it on a piece of metal?
A. Metal.
Q. Metal?
A. Yes.
Q. And then how is that stamped on there?
A. It is puched in there.
Q. Punched in there, and how is it punched; do you use a hammer or what?
[fol. 198] A. Well, this is a technical thing, and the people that make it, they do it; I don't so it exactly. I am trying to just explain it, the way that it is supposed to be done down there in the place.
Q. It is done in your place, isn't it?
A. Yes, sir.
Q. And you have seen it done?
A. Once in awhile I look in as the people do that.
Q. But you stamp it on there, is that right?
A. My fellows do that.
Q. I mean you have it done?
A. Yes.
Q. Did you say yesterday that these watches that I showed you were engraved, that is, the name Bulova was engraved on there?
A. No, it was punched in there.
Q. I think that the Record shows—Your Honor, I think that the Record shows that he said that it was engraved on there. I don't know whether we want to go to the trouble of looking back that far or not, but I would like to find out whether he said that or not.

Mr. Matthews: Well, I think that he said it.

Mr. Maverick: He said it was engraved.

Mr. Matthews: But this man doesn't use English very well, and perhaps he doesn't know the difference between stamping and engraving.

Mr. Maverick: Well, I took it that that was a fact.

[fol. 199] Mr. *Maverick*: I don't think that he is trying to mislead you.

The Court: All right, Counsel, go ahead.

Q. What is the name of the worker that does that kind of work?

A. Pascall Villa, Senor.

Q. Pascall Villa, Senor?

A. Pascall Villa, Senor.

Q. Is he the workman in there?

A. Yes, he works for me.

Q. Is he the man that handles these stamps?

A. Yes, sir.

Q. Was he working with you when these stamps were purchased?

A. Yes, sir; he has worked for me—he has worked for me for a period of about, around fourteen or fifteen years.

Q. He was there when these were purchased?

A. Yes, sir.

Q. Does he know Vincente Gomez?

A. I think that he knows him just from seeing him come up to the office.

Q. Have you only bought one engraving for Erma, Evelyn and Bulova?

A. Yes, sir.

Q. And that was in 1939?

A. Twice I bought; one I bought in 1933 also.

Q. 1933 and 1939?

A. Yes, sir.

Q. And those are in the possession of Mr. Villa, Senor?

A. They are in the possession of my office.

[fol. 200] Q. There in his custody?

A. In my office.

Q. In your office. Since that time, he has never been given any other stamps than those particular ones; is that correct?

A. We give him according to the need. When he needs them, we turn them over to him, and he does the work.

Q. I mean you have never given him any others other than those that you had up to 1939; for eleven years, you have never purchased any new stamps or dies?

A. No, sir.

Q. Never purchased any new ones?

A. No, sir.

Q. Now, besides him, besides Villa, Senor, who else works in the shop?

A. There is a fellow by the name of Pill.

Q. What is his name?

A. Pill.

Q. How do you spell it?

A. Pill, P-i-l-l.

Q. What is his first name?

A. I don't remember his first name.

Q. Does he work under Villa, Senor?

A. They work together.

Q. They work together?

A. Yes, sir.

Q. Who is the superintendent of that particular operation?

A. Well, our organization is not such a big place down there that we should need a superintendent.

Q. How many work in that particular operation?

A. Three.

[fol. 201] Q. What does he do all day long? What does he do? Does he stamp watches, and what else does he do?

A. He is a watchmaker also.

Q. A watchmaker also?

A. Yes, sir.

Q. How much time does he devote to stamping and other pursuits?

A. Very little.

Q. Very little but stamping. Who works in there besides Villa, Senor, and Pill?

A. There is another boy; don't rememeber his name exactly right now.

Q. What is the size of your organization on Cinco de Mayo?

A. About twenty-five people work there.

Q. And what is the amount of your payroll per month?

A. About ten thousand pesos.

Q. Ten thousand pesos?

A. More or less.

Q. How many work in the office, I mean salesmen and people that work in the office?

A. We have four salesmen, and in the office we have four——

Q. Four what?

A. Fifteen watchmakers; I believe that's all.

Q. How many watches a year do you sell; how many watches a year do you sell approximately?

A. I would say between ten thousand watches, nine or ten thousand watches.

Q. How many watches designated Bulova did you sell in 1949?

A. 1949, we sold approximately about two hundred fifty altogether.

[fol. 202] Q. Are you sure you didn't sell in excess of that?

A. In excess?

Q. I mean more than that.

A. I don't know.

Q. Well, I mean approximately.

A. Approximately about two hundred fifty watches altogether.

Q. There weren't over two hundred sixty?

A. Possibly so.

Q. Well, over two hundred seventy?

A. Well, I don't know.

Q. Well, you have the figures on 1949.

A. I don't have the figures with me here.

Q. You have the figures which are in Court, and you know how many were sold since then. I want to find out from you approximately how many were sold in 1949; that is a reasonable question.

A. Up to August, we had sold about 160 some odd watches.

Q. And how many were sold since then?

A. About 75 or 100 watches; I don't know.

Q. You can't tell definitely?

A. I could not tell you definitely.

Q. I am talking about approximately, an approximate figure.

A. Approximately the figure would be about 250 watches.

Q. All right; 250 watches. Thank you. Have you bought any dials from Berna Swiss?

A. Yes, sir.

Q. With a name on them?

A. They came with Sidney.

Q. They came with Sidney?

A. Yes.

[fol. 203] Q. And what other name?

A. No other name.

Q. And they are stamped when you receive them?

A. Yes.

Q. With the name Sidney?

A. Yes, sir.

Q. But no others?

A. No others.

Q. And the ones on which you put Bulova, they come in blank?

A. No, sir; I remove the Sidney, and put Bulova on them.

Q. You remove the Sidney?

A. Yes, sir.

Q. How do you remove that; how do you remove that?

A. We have a little solution and put it on a little piece of cotton, and remove the name.

Q. What kind of a solution is it?

A. Some kind of—I don't know what kind the fellow uses down there, but it is very easy to remove.

Q. All those that you have received have Sidney on them from Berna Swiss?

A. Yes, sir.

Q. So, you didn't receive them in blank?

A. No, sir.

Q. Then, you would remove the Sidney and place on there Bulova?

A. Yes, sir.

Q. Do you keep any dials with Bulova on them in your inventory?

A. No, sir.

Q. Do you keep Sidney in your inventory?

A. Well, it is immaterial to me if they are Sidney or not, because when we need dials on a Bulova, then I remove [fol. 204] the name, and I put that on the Bulova watch.

Q. But in making your inventory you keep an inventory of your separate merchandise needs?

A. No, sir; I put them altogether.

Q. You put them with all of your merchandise?

A. Yes, sir, watches altogether; it depends upon the size of the watches.

Q. You make no separate inventory at all?

A. No, sir.

Q. Then, when you want Bulova, you take out a Sidney, take out a Sidney and put on Bulova?

A. Yes, sir.

Q. Have you bought any tools from the International Tool Company in New York?

A. No, sir.

Q. You have never bought any from there?

A. No, sir.

Q. Not through an agent, or anybody?

A. It is possible my agent might have bought them, but I don't know where he got them.

Q. Have you ever bought any from the Kirk Dial Company in Dallas, Texas?

A. No, sir.

Q. In obtaining these watches from Switzerland, how many different names have been placed on the dials that you receive from Switzerland?

A. The only time that we used to get different names was during the War; they used to come with the name Invicta or Seeland——

Q. I can't understand that.

A. Invicta or Seeland, they used to come on the dial, because we had a hard time getting merchandise, and we had to take what they sent us.

Q. Then you would take the name of Invicta and Seeland off?

[fol. 205] A. And I would remove the name, and put Sidney on the dial.

Q. And then you would remove it and put Bulova?

A. If I needed it; I did it directly from the Seeland and Invicta and put Bulova on; it all depends what I needed.

Q. Take the year of 1944, how many watches did you buy from Switzerland at that time that were marked Sidney?

A. It is hard to say.

Q. Well, approximately.

A. Maybe three or four thousand.

Q. Three or four thousand watches marked Sidney?

A. Yes, sir.

Q. How many were marked Erma?

A. No Erma's were marked.

Q. They were all marked Sidney?

A. Sidney or Invicta or Seeland.

Q. That was in 1944?

A. 1944, and some in 1945, yes.

Q. Well, I am going to ask you about that in a minute. How about 1945; how many watches approximately did you get that year?

A. I don't know how many.

Q. Well, you knew 1944?

A. Not exactly.

Q. You said three or four thousand.

A. Maybe more or less the same amount in 1945.

Q. All right; 1945. Did the, all have names on the dials?

A. Yes, sir.

Q. Have you received a dial from Switzerland in blank?

A. Yes, sir.

[fol. 206] Q. Without any name on it?

A. Yes, sir, without any name.

Q. What percentage in 1944 were in blank?

A. I don't know what the percentage was.

Q. Well, was it 5% or 10% or 15?

A. I cannot recall how many there were with names on them, and how many there were without names on them.

Q. You must have some idea about the number.

A. I am not always in the office when the merchandise arrives down there. When they open it down there, I am not present when they unrack always.

Q. Who does your buying?

A. I do the buying, but I do not do always the receiving.

Q. What did you say?

A. I do the buying, but I don't always do the receiving of the merchandise.

Q. Well, you know what you are buying though, don't you?

Mr. Matthews: If the Court please, I would like to object to his repetition, and simply arguing and badgering the witness and the constant repeating and going over the same thing, and I wish to object to it on that ground, in the interest of saving time.

The Court: Overruled.

Mr. Maverick: Q. You know what you are buying; you are the buyer is that correct?

A. Yes.

[fol. 207] Q. Well, what proportion do you buy as having Invicta on there and Sidney and Seeland? How many or what percentage of blank dials do you order?

A. I didn't buy any with Invicta or Seeland on there. I bought them with Sidney on there, or without names, but if they shipped them with Invicta or Seeland on there, I had to receive them. I couldn't return them after I had paid the duty on them.

Q. That's right, but what percentage did you buy that were in blank?

A. About 5 to 10%.

Q. 5 to 10% in 1944?

A. Yes, sir.

Q. And what did you do with those watches?

A. Which watches?

Q. The ones that were in blank, what did you put on them?

A. I put on them Bulova or Sidney, according to the needs of them.

Q. Bulova or Sidney, whatever the needs were. Now, in 1945, you said a minute ago you thought that you got three or four thousand then, that many watches in 1945, is that right?

A. From Switzerland, yes.

Q. What were the names on the dials at that time?

A. I don't know what the names were.

Q. In 1945?

A. They must have been the same names.

Q. Please don't reason; just answer the question. You answered it for 1944. Now, answer it for 1945.

A. It must have been the same thing in 1945.

Q. Well, were they or not?

A. Sir?

Q. Were they or not?

A. I don't know right now how they came in.

[fol. 208] Q. What is your best knowledge; what did you buy; what did you purchase?

A. I bought Sidney watches.

Q. What else?

A. And some without names; and some with names.

Q. And what were the other names?

A. The other names?

Q. The other names which were purchased?

A. Invicta and Seeland were shipped.

Q. Invicta and what else?

A. Or Seeland.

Q. You mean that they would send you Invicta or Seeland without you ordering them?

A. Yes.

Q. What did you order?

A. I ordered Sidney, and they sent Invicta or Seeland, and we had to keep quiet.

Q. Why did you have to keep quiet?

A. Because the duty was paid on them.

Q. Well, how long did you continue that practice—did they send you Invicta and Seeland's that you didn't order in 1944?

A. Yes.

Q. Did they send you Invicta or Seeland that you didn't order in 1945?

A. Yes, sir.

Q. Did they send you Invicta and Seeland that you didn't order in 1946?

A. Yes.

Q. Was that true in 1947?

A. Yes.

Q. In 1948?

A. In 1948 they changed the way of doing the shipping or doing the business.

[fol. 209] Q. Then for 1944, 1945, '46, '47, '48 and '49, you continued to receive watches that you didn't buy?

A. In 1948 and 1949, we got what we wanted.

Q. '44 and '46 then?

A. They shipped us what they wanted.

Q. 1944, 1945, 1946 and 1947?

A. Yes,

Q. For four years they shipped you what they wanted?

A. Yes.

Q. And you continued to receive them?

A. Yes.

Q. Well, that was on account of the fact you said that you paid the custom duties, is that right?

A. Well, we didn't have any other way out of it any more. We used to give them hell, but they didn't pay attention, and we had to accept the merchandise.

Q. But you said a moment ago that the reason that you did it was on account of the fact that you had paid the customs, and you couldn't send them back?

A. I paid the duty.

Q. You paid the duty; I understand, but is that the reason that you didn't send them back?

A. The duty was high.

Q. Was that the reason?

A. Yes.

Q. It was on account of the duty?

A. Yes.

Q. Well, you knew that in 1944, didn't you?

A. In 1944, we were anxious to get the merchandise, and the same way was in 1945 and 1946.

Q. Well, it wasn't on account of the customs as you stated, is that right?

A. Well, that's right.

[fol. 210] Q. It wasn't on account of the customs?

A. No, sir.

Q. That statement you made then wasn't correct?

A. We needed the merchandise and had to keep quiet.

Q. You say you changed to Bulova from those different names. By this you mean that when you had orders for

Bulova or sales for Bulova, you would take a Sidney watch, and then change it to Bulova, is that right?

A. Or a Seeland or Invicta; it all depended on the size we needed of the watch.

Q. In other words, you would change any watch to Bulova, is that correct?

A. Yes, sir.

Mr. Barrett: If the Court please, that has been gone over a half a dozen times.

Mr. Maverick: No, it hasn't.

Mr. Barrett: According to my recollection.

The Court: I think it has.

Mr. Barrett: And we object to it because it is highly repetitious, and unnecessarily taking the time of the Court. [fol. 211] Mr. Maverick: Your Honor, that is the first time that he said that he would change any watch to a Bulova watch. That is the first time that he said that.

The Court: My recollection is that he has already said heretofore several times that he did, but go ahead, if you think that it is not in the Record.

Mr. Maverick: I have covered 1944 and 1945; approximately how many watches did you buy from Switzerland or movements, in 1946?

A. Will you repeat that?

Q. Approximately how many watches did you buy in 1946?

A. Maybe about five thousand watches.

Q. Five thousand watches, and how were they marked?

A. The same way.

Q. Well, what do you mean?

A. Sidney, Invicta, Seeland, or without any names.

Q. Any marked Erma?

A. No, sir.

Q. Those without names, what percentage were they?

A. About 5%, 5 or 6%.

Q. In 1947, how many watches did you get that year?

A. About the same amount.

Q. Five thousand?

A. About four or five thousand.

Q. In 1948?

A. The same thing also.

[fol. 212] Q. 1949?

A. About the same.

Q. And now, I want to ask you about certain people; do you know Pedro Arellano; Pedro Arelanno?

A. Where is he from?

Q. Mexico City.

A. Maybe I do, but I don't recall.

Q. Have you sold him watches?

A. Yes, I suppose so.

Q. Well, do you know for sure whether you have sold him watches or not?

A. He may have bought some watches from the office.

Q. Well, you know, don't you?

A. I do know him, yes.

Q. You know him?

A. Yes, but he isn't from Mexico City, if he is the fellow I am thinking about, he isn't from Mexico City.

Q. How long have you known him?

A. Maybe about two or three months ago.

Q. What did you say?

A. Five or six months ago.

Q. This Pedro Arellano, where does he live, if he doesn't live in Mexico City?

A. In a suburb of Mexico City.

Q. That is the father of Pedro Arellano, isn't it?

A. The way that I understand it, he is in Mixcoac.

Q. Well, do you know his first name?

A. Pedro, you said.

Q. There are two Arrelano's; do you know the name of the other one?

A. You mean the father?

Q. Yes.

A. It is Ignacio.

[fol. 213] Q. Ignacio?

A. Yes.

Q. How long have you known him?

A. I suppose about—many years ago.

Q. Many years ago?

A. Yes, sir.

Q. Has he been a customer of yours?

A. He bought only one or two purchases that he made with us.

Q. How long have you known him now; you say several years?

A. Yes, sir.

Q. Well, what kind of a relation did you have with him?

A. Just sold to him.

Q. What?

A. Just sold and collected.

Q. Sold and collected?

A. That's right; used to sell him.

Q. Did he buy any watches during that time?

A. Yes.

Q. How many years did he buy watches?

A. I don't remember how many years, but he didn't buy for a long time, because we couldn't collect any money from him, so we didn't want to sell him; lately he started again buying.

Q. Did you sell him any watches in the past though, for cash or otherwise?

A. I don't think he buys for cash; he can't pay cash.

Q. Did he ever buy watches from you?

A. Yes.

Q. Did he buy from you in 1944?

A. I don't remember the year.

Q. Did he buy in the last five years?

[fol. 214] A. Yes, he did buy in the last five years.

Q. How many times? Or approximately how many times?

A. About twice, or two or three times he bought.

Q. Did he buy Bulova watches from you?

A. That I don't know, but he bought watches.

Q. He bought watches?

A. Yes.

Q. How many times did he buy?

A. I don't know, but about two or three times.

Q. And how many Bulovas did he buy?

A. I don't know. We would have to look that up.

Q. Would it be on this list, if he bought them?

A. If he bought them, yes, it would be on the list, up to August.

Q. Will you see if he purchased any during that time?

A. This is the list, the complete list. (Refers to paper.) Which year did he buy?

Q. I am asking you.

A. I don't seem to see him around here at all (referring to paper); I don't see him on here. It may have been a cash sale down there at that time.

Q. He did purchase a Bulova watch from you during this period of time, didn't he?

A. Well, he may have bought it as a cash sale, and then when our invoice was made out down there.

Q. Then, this list that you have here doesn't include the cash sales?

A. No, sir.

Q. This list here is only those on which invoices were made?

A. We have to make invoices.

Q. Then this list is not complete, is it?

A. Well, this is complete of those which buy regular charges. If a man buys one watch——

[fol. 215] Q. You testified that this was all of the sales made; we asked you for that information.

A. On the Bulova.

Q. On the Bulova; that's right.

A. Yes, sir.

Q. And you sold to Ignacio Arellano some Bulova watches for cash, is that right?

A. I don't know if they sold him.

Q. You just said he bought Bulova watches?

A. I didn't say that.

Q. You said——

A. You said did I, and I told you I didn't know if he bought them or not.

Q. He might have bought them?

A. It is possible; I don't know.

Q. If he bought them for cash, it would not appear on here?

A. One watch, it would not appear here.

Q. It would not appear on there; is that right?

A. One watch, it would not appear here. If he buys one or two watches, it would not appear here; there is another list altogether for the cash sales that we make.

Q. There is another list of cash sales?

A. Yes.

Q. And that includes Bulova watches?

A. Well, not exactly; it includes clocks.

Q. It includes clocks, and watches, and among others it includes Bulova watches?

A. Yes, sir.

Q. Therefore, there are Bulova watches sold outside of this list that we have here; is that correct?

A. I don't think that it is such a big amount down there anyway. The percentage is so small, that we don't——

[fol. 216] Q. I am not interested in percentage: You do sell Bulova watches outside of this list?

A. We might have sold him in the office one, or one or two; I don't know.

Q. As a matter of fact, you stated that they were sold for cash, and they were not included in this list, is that right?

A. It might have happened.

Q. But you said a minute ago it did happen, that the cash sales were not included on this, that this list did not include the cash, is that correct or not?

A. Yes, that is correct.

Q. That is correct; you don't know how many of those cash sales there were then?

A. No, sir.

Q. You don't know, but this list is not complete?

A. As far as I know, but they made out the copy down there.

Q. Now, we have just covered Ignacio Arellano; how about Pedro?

A. I don't know; I don't think that Ignacio even bought any Bulova watches; we would have to look that up.

Q. I am asking you about Pedro now.

A. I don't know; I don't see any Arellano there; there is one fellow there by the name of Orenano; that is what is there; I don't see an Arellano down there at all.

Q. Those are two different names. How long have you known Pedro Arellano?

A. Just a few months.

Q. You have known his father for many years?

A. His father I have known for several years all right.

Q. Several years; how many would that be?

A. About thirteen—twelve or thirteen years.

[fol. 217] Q. Twelve or thirteen years?

A. Yes.

Q. How many times have you seen him during that time?

A. I didn't see him at all since that time.

Q. You haven't seen him for thirteen years?

A. The old man, no.

Q. How long have you known Pedro?

A. Pedro, a few months.

Q. A few months. Do you know Lopez Arriago; do you know him?

A. What is his name?

Q. Lopez Arriago; he lives on Cinco de Mayo.

A. Arriago?

Q. Villa Hermosa, Tabasco.

A. No, sir.

Q. Have any watches been sold to him?

A. I don't know him at all. Repeat again the name.

Q. Has he, as a matter of fact, been buying watches from you for four or five years?

A. What is the name, please?

Q. Lauro Lopez Arriago.

A. The name is not familiar to me at all.

Q. Has he purchased watches from you?

A. The name is not familiar to me at all.

Q. Are you prepared to state that you have not sold him watches?

A. I don't know him at all. How could I state that I sold him?

Q. Take this list here, and please look through this list, and see if you are able to state whether you have sold him any watches in the last four or five years.

A. Arriago?

[fol. 218] Q. Arriago.

A. (The witness examines the instrument handed him by Counsel.)

Mr. Matthews: If the Court please, to take up the time of the Court for this man to make this investigation as to that

man's name, it seems to be like is a useless thing. Counsel can call it to the attention of the Court in the evidence.

The Court: I didn't understand you.

Mr. Matthews: I say, we object to using the witness for a purpose that Counsel can call the Court's attention to, as to whether it is on this list or not; the name is in evidence, and the list is in evidence. Now, we sit here while this witness devolves an answer by going through it, to see whether or not that name is on the list. Counsel can present that to the Court after the evidence is all in on it.

Mr. Maverick: Your Honor, the reason that I haven't done that is this. I know the Court trusts me and that the other Counsel trust me, but those names are complicated, and I don't want to say that Arriago is not on that list. I don't think that he is, but it is a very complicated bunch of names.

The Court: Well, why not do this, as to those that you want him to search the list for, you can go on with the [fol. 219] examination, and put somebody else on and let him take the list and have him to make a search of it, and then come back and make his report.

Mr. Maverick: Well, there are only three names, and there is only one more name that I am going to ask him about.

The Court: One more?

Mr. Maverick: One more besides that. I want to ask him if he knows Lauro Lopez Arriago, and the other one is Ramon Ramirez Sanchez.

The Court: All right, Gentlemen, we will take a fifteen minute recess.

(Whereupon a short recess was had.)

Mr. Maverick: Q. The two names that I asked you about were Ramon Ramirez Sanchez and Lauro Lopez Arriago.

A. They are not here (referring to list).

Q. Did you sell them watches in those last four years? Take Arriago first; did you sell him watches?

A. I think, if this is the man that I am looking for, he did buy watches for, but before he even opened a jewelry store, he disappeared with the whole order that he got from me.

Q. I am not interested in asking you about that, but I just asked you if he bought watches from you.

A. Yes, he did buy watches.

[fol. 220] Q. Did he buy Bulova watches?

A. That, I don't know.

Q. Well, you gave a list there (indicating).

A. He bought watches, but he is not here.

Q. He is not there (indicating)?

A. No, sir.

Q. Might you have sold him some Bulova watches?

A. Possibly so; I don't know. We discarded the whole order down there, because he disappeared, so——

Q. I don't know about that——

A. We killed the whole thing.

Q. I just want to know whether you sold him Bulova watches.

A. That, I don't know; I would have to look in the office. He would not appear here, if he is the one; he would not appear here, because he disappeared with the watches.

Q. When the watches disappear you don't put them on the list?

A. It was not a sale.

Q. What was it?

A. Well, it was a sale, but he disappeared with the whole order. Are we going to put it in here as a sale?

Q. Now, what about Ramon Ramirez Sanchez?

A. That fellow, I don't know; I don't know him, and I don't recall that name at all.

Q. Let me ask you this to see; look at this paper here, and see if this paper does refresh your recollection.

Mr. Barrett: May I see that?

[fol. 221] Mr. Maverick: Yes. (Hands paper to Counsel.)

Mr. Barrett: If the Court please, we want to make an objection to this Spanish document which has been executed, or supposedly executed——.

Mr. Maverick: It is not offered for evidence.

Mr. Barrett: I know it, but we want to object to any use of it at all, for the reason that it is not admissible in evidence in this Court. It is an ex parte notarial act, consummated in Mexico, and we have not had an opportunity to

examine the proponent; it is more or less an affidavit before a notary in Mexico.

The Court: You are not offering it in evidence, Mr. Maverick?

Mr. Maverick: Sir?

The Court: You are not offering it in evidence?

Mr. Maverick: I am not offering it in evidence; it is merely to refresh his memory for what it is worth.

The Court: I overrule the objection; go ahead.

[fol. 222] Mr. Barrett: In connection with our objection, I would like to ask the witness just one or two questions about this document.

The Court: You may have him on cross examination; go ahead.

Mr. Barrett: Yes.

Mr. Maverick: I will stipulate that he has never seen it. We will stipulate that he has never seen that, as far as that is concerned.

The Court: Go ahead.

Mr. Maverick: Now, this instrument——

Mr. Barrett: If the Court please, we want to object to it further, for the reason that it is an indirect method of getting into evidence a statement made in Mexico before a notary public, which is inadmissible.

The Court: I overrule the objection; go ahead.

Mr. Barrett: And it is improperly authenticated.

Mr. Maverick: This is what purports to be an affidavit.

[fol. 223] The Court: Well, now, wait a minute; you are not introducing that in evidence.

Mr. Maverick: No, I am not introducing it in evidence at all. Will you please read this document, and look at the top, and especially this which is underlined in red, and see if that refreshes your memory (handing paper to the witness).

A. I don't remember the fellow; I don't know him.

Q. Will you say that that statement there that he bought watches from you for four years is untrue?

A. I don't know the fellow.

Q. Would you say that it is untrue?

A. I don't know the fellow.

Q. If this man swore that you sold watches to him for four years, would you say that that is untrue?

A. I don't know the fellow at all, so, how can I say that it is true or wrong or right? I don't know the fellow at all.

Mr. Maverick: I would like for this instrument to be marked for the purpose of identification.

The Court: It may be marked for the purpose of identification, but it is not admitted in evidence.

Mr. Maverick: That's all right; I would like to have it marked for the purpose of identification.

[fol. 224] (The instrument referred to by Counsel was thereupon marked for the purpose of identification Plaintiff's Exhibit No. 21, and was not admitted in evidence by the Court.)

By Mr. Maverick:

Q. The spelling of your name is S-t-e-e-l-e?

A. That is right.

Q. Did you ever use any other name?

A. I arrived in the States with Simon Still.

Q. Did you ever spell it any other way? Did you ever spell it S-t-e-i-l?

A. No, sir.

Q. You are sure of that?

A. S-t-i-l-l was my name when I arrived here; I ought to know that.

Q. But you never spelled it S-t-e-i-l?

A. No, sir.

Q. Concerning the places that you lived, when you first came here, did you live at 124 Belvin Street?

A. I don't remember.

Q. You don't remember that. Were you ever in business there?

A. I was in business here with Mr. Ritchie; I worked for him.

Q. What year was that?

A. About 1922, I guess; 1922.

Q. What business was he in?

A. Clothing.

Q. Clothing. Did you list your business as the United Jewelry Company in 1922 and 1923?

A. In 1923, I worked for the United Jewelry.

Q. Who owned the United Jewelry Company?

A. A fellow by the name of Fox, Leo Fox. I don't know what was his first name, but it was Fox.

[fol. 225] Q. You stated that you didn't—you stated that you only worked for Ritchie and your brother?

A. Ritchie and the United Jewelry Company for a little while.

Q. But you stated before that you only worked for Mr. Ritchie and your brother.

A. After that, I went with my brother.

Q. But you now say that you worked for the United Jewelry Company?

A. Not long; just a few months.

Q. Well, but you didn't mention that before.

A. I didn't remember that any more.

Q. Well, how long did you work for them?

A. Oh, it must have been about six months.

Q. And that was—what was Fox's name?

A. I don't remember the first name any more.

Q. Was it a Company?

A. There was another partner down there, a fellow by the name of Paul—Herman Paul.

Q. Were you a partner in that?

A. No, sir; Herman Paul and Fox were partners in that jewelry store.

Q. What did you do for them?

A. I was just a clerk in the place.

Q. And where was the place?

A. On Houston Street. It was right next to the United Cigar Store. I don't know what the number is; but near the Alamo.

Q. What did you say?

A. Near the Alamo; it was at that time, and there was a United Cigar Store there at that time.

Q. Was there also a Stelfox Company?

A. Who?

Q. Stelfox, one word, Stellfox or Stillfox Company.

A. I don't know—where? Was that a jewelry store?

[fol. 226] Q. Well, either near there, or around Alamo Plaza.

A. This was on Houston Street; the store was on Houston Street.

Q. You remember that well?

A. The jewelry store, yes.

Q. And when did you—did you go to work for them first when you came here?

A. No, sir; the first was with Ritchie.

Q. The first was with Ritchie?

A. Yes.

Q. And then you worked for the United Jewelry Company?

A. That's right.

Q. If that was listed in the City Directory as Sidney Steele, United Jewelry Company, 124 Belvin, that would not cause you to remember anything?

A. No, sir.

Q. Do you think that the City Directory might be wrong, if it shows that?

A. Possibly so, but I had nothing to do with the jewelry store.

Q. You had nothing to do with the jewelry store?

A. No, sir, but just worked there for the jewelry store.

Q. You just worked for the jewelry store?

A. That's right.

Q. And that was on Houston Street?

A. Yes, sir.

Q. And it was not on Belvin Street?

A. No, sir.

Q. And you didn't live on Belvin Street?

A. I might have—maybe I did live on Belvin Street, but I didn't have anything to do with the jewelry store, only just worked for a straight salary.

Q. That does not bring anything to your memory at all, the 124 Belvin Street address?

A. No, sir.

[fol. 227] Mr. Maverick: That is all.

Cross Examination.

By Mr. Barrett:

Q. While you are on the stand, Mr. Steele, I would like to ask you a few questions. Where were you born?

A. In Austria.

Q. In Austria?

A. Yes, sir.

Q. Did you have any schooling or education, while a boy over in Austria?

A. I went to school about seven years.

Q. About seven years in school?

A. Yes.

Q. When you were about seventeen years of age, what did you do?

A. I went to the Army, and was in the Austrian Army for seventeen years (about seventeen years of age), in the last World War.

Q. And then after the War was over, then did you come to the United States?

A. That's right.

Q. When was the first time that you began the study of English?

A. In 1921 when I arrived here.

Q. And how old were you at that time; were you a grown man?

A. Twenty-two years old.

Q. As I understand it, you went down to Mexico and established the Sidney Steele Watch Company in 1933?

A. That's right.

Q. And your business is that of selling watches in Mexico?

A. That's right.

[fol. 228] Q. Now, Mr. Steele, do you conduct all of your sales in Mexico?

A. Yes, sir.

Q. Have you ever sold any watches with the trade-mark Bulova for export to the United States, or to any other Country?

A. Never.

Q. And the work of putting the trade-mark on these

watches that you get from Switzerland is performed in Mexico?

A. That is right.

Q. And all of your sales are made in Mexico?

A. That's right.

Q. Have you ever acted as an agent or as a representative of the Bulova Watch Company of New York?

A. Never.

Q. Have you ever knowingly purchased any parts or watches from the Bulova Watch Company of New York?

A. No, sir.

Q. I will ask you this also, Mr. Steele, if in 1933 you registered the trade-mark Bulova in Mexico for Mexican products?

A. Yes, sir.

Q. And how long had you continued to use that trade-mark on watches before any complaint was ever received by you from the Bulova Watch Company of New York?

A. Up until 1946, when they brought suit against me.

Q. Was that the first notice that you ever received that they were objecting to your use of your trade-mark in Mexico?

A. Yes, sir.

Q. Now, have you been in litigation with that Company in Mexico with reference to the trade-mark Bulova?

A. Never.

Q. Do you understand the word "litigation"?

A. Suit?

[fol. 229] Q. It means lawsuit.

A. Yes, sir.

Q. There have been some suits down there with reference to this Bulova trade-mark, have there not?

A. Yes, sir.

Mr. Barrett: If the Court please, at this time, we would like to offer in evidence the certified copy of the Mexican National Trad-mark "Bulova" Number 22,602, and we will prove up the English translation of it later.

The Court: Is there any objection, Gentlemen?

Mr. Ostroff: No.

(The instrument was thereupon identified as Defendant's Exhibit No. 1, and received in evidence.)

Mr. Ostroff: There is only one thing; I don't see how the Defendant can offer any exhibits during the Plaintiff's case, and for that reason I think—I think that he ought to wait.

The Court: Well, he has the witness on the stand to identify that, and I don't think that it makes any particular difference. Go ahead.

Mr. Barrett: I might state the nature of that document. It is a certified copy of National Trade-mark No. 3602, called Bulova, issued to S. Steele & Company of Mexico, D F, by the Secretary of National Economy, dated December [fol. 230] 5, 1933, including a description of the trade-mark, and the name and the reservation of use thereof to Sidney Steele, together with the transfer of the ownership of said trade-mark in favor of Sidney Steele under date of October 26, 1935. You may take the witness.

Re-Direct Examination.

By Mr. Maverick:

Q. You stated that the first objection you heard was in 1946 to the use of that name?

A. Yes, sir.

Q. Do you remember testifying yesterday that you got these telegrams from Switzerland in 1945?

A. Yes, sir, in 1945, from the Chamber there, but from the Bulova people, it was in 1946 that I heard from them.

Q. But you had objections before that, in 1945, isn't that correct?

A. Not from the Bulova people.

Q. I didn't ask you who from, but you had objections in 1945?

A. Yes, sir; the cable that came in from Switzerland.

Mr. Maverick: That's all.

Mr. Barrett: That's all.

(Witness excused.)

[fol. 231] Angel de la Garza Quinones was thereupon called as a witness on behalf of the Plaintiff, being duly sworn, was examined and testified as follows:

Direct Examination.

By Mr. Maverick:

(The evidence of the witness was interpreted from Spanish to English by Honorable Arthur A. Domangue, who was duly sworn as such Interpreter.)

Q. State your name?
A. Angel de la Garza Quinones.
Q. Where do you live?
A. I live on Colorado Street de Guadalajara, 190, in Mexico City, Mexico.
Q. What is your business?
A. I am an agent of sales.
Q. What kind of business?
A. Watches.
Q. Do you know Pedro Arellano?
A. I do.
Q. Did you ever visit Sidney Steele Watch Company?
A. I have, yes, sir.
Q. What was the occasion of that visit?
A. I went to buy some watches with Mr. Pedro Arellano.
Q. Why did you go with Pedro Arellano? What was the discussion with Pedro Arellano that led to that?

Mr. Barrett: I object to any conversation that might have taken place between the two parties.

The Court: I will sustain the objection.

[fol. 232] Mr. Maverick: Q. How many times did you go there, that is, did you go to the Sidney Steele Company?

A. I went three times.
Q. How many watches did you buy?
A. The first time one, the second time four, and the third time one.
Q. I want to introduce these instruments in evidence (handing papers to Counsel for the Defendant); I want to introduce these in evidence, and would like to have them marked for the purpose of identification.

(The instruments were thereupon marked for the purpose of identification Plaintiff's Exhibits Nos. 22, 23 and 24.)

Mr. Maverick: The matter under interrogation is with reference to Plaintiff's Exhibits Nos. 18 and 19, which are two watches and the cases, and also Plaintiff's Exhibits Nos. 22, 23 and 24, which are invoices. Now, I want to present to you with Exhibit No. 22. This Exhibit No. 22. Will you state what occurred on that occasion?

A. I went to the Sidney Steele Watch Company, in company with Pedro Arellano, and they showed us several displays of watches, and we selected one, a man's watch.

Q. Now, speaking with reference to Plaintiff's Exhibits Nos. 18 and 19, were those among the watches purchased from the Sidney Steele Company?

A. Yes, sir.

Q. Are those the cases—I mean the boxes in which they were purchased?

A. Yes, sir.

Q. And who did you talk to on that occasion, on the first occasion?

[fol. 233] A. I am not quite sure, but I believe the name of the man down there was named Max.

Q. Max Steele?

A. I don't know the last name.

Q. I present you with Plaintiff's Exhibit No. 23, which is an invoice of the Sidney Steele Watch Company.

A. Yes, sir.

Q. Who did you talk to on that occasion?

A. I think that Pedro Arellano and I talked to this man Max that was attending us, and then I talked to Sidney Steele.

Q. What was the conversation at that time between you and Steele?

A. The conversation was between Mr. Steele and Mr. Pedro Arellano.

Q. What was said on that occasion?

Mr. Barrett: Now, we wish to object to that unless the witness testifies that he overheard it.

Mr. Maverick: In your presence; it was in the presence of the Defendant.

The Court: What he heard in the presence of the Defendant, what each party said.

Mr. Maverick: Q. What did you hear between Steele and Mr. Arellano?

A. The only thing is that they discussed about four watches and he asked him about percentage.

Q. Did he get any percentage; did he get any discount?

[fol. 234] A. He asked him for a discount or a percentage off, and he indicated that he was going to give him something like 5% off, but as to whether he gave him the percentage off or not, I don't know.

Q. Now, I present you with Plaintiff's Exhibit No. 24, which is an invoice of the Sidney Steele Watch Company. What does this exhibit represent?

A. That invoice No. 24 represents this lady's watch, which is Plaintiff's Exhibit No. 18.

Q. Who was present on this occasion, at that time?

A. Mr. Sidney Steele was present.

Q. What did you hear on that occasion?

A. I went in there personally, and Mr. Sidney Steele told me that it was 225 pesos, and I signed a receipt, and he delivered the watch to me.

Q. Was there any other discussion at the time?

A. I at that time told him that I thought it was a little high, and he at that time told me that it was an excellent watch, and a very fine watch.

Q. Did he make any statement concerning the name of Bulova?

A. He said precisely that it was a Bulova watch, and a very excellent watch.

Q. What else did he say?

A. That's all.

Mr. Maverick: Your Honor, can we photostat and withdraw the originals, because we want to keep the original instruments?

The Court: You mean the invoices? Are you speaking with reference to the invoices?

Mr. Maverick: The invoices.

[fol. 235] The Court: Any objection?

Mr. Barrett: I doubt—I really believe that until the case is over that the originals should remain here, and they could be substituted possibly later.

Mr. Putman: Just a question for the Record is the only purpose; after the case is over, will that be all right?

The Court: After the case is tried, there will be no objection then.

Mr. Putman: All right.

Mr. Maverick: That is all.

Cross Examination.

By Mr. Barrett:

Q. Will you read the dates on those invoices, please?

A. November 5th.

Q. What year?

A. Exhibit No. 22 is dated November 5, 1949. Exhibit No. 23 is dated November 7, 1949, and Exhibit 24 is dated November 5, 1949.

Q. Did you pay for the watches with your own money, or was it furnished by someone else?

Mr. Maverick: I don't think that that is relevant, as to who he got the money from.

[fol. 236] The Court: Sir?

Mr. Maverick: I don't think that it is relevant as to where the money came from.

The Court: Is that the grounds of your objection?

Mr. Maverick: Just that it is not relevant.

The Court: I overrule the objection. Go ahead.

A. Another person gave me the money.

Mr. Barrett: Q: What was the name of the person who gave you the money?

A. Mr. Edgar Gesejaer.

Q. Does he work for the Bulova Watch Company of New York:

A. I cannot answer that, because I do not know.

Q. How did you happen to come up here to San Antonio to testify in this case?

A. Mr. Gesejaer is a friend of mine, and in compliance with his request, I came here to testify. He is a friend of mine.

Mr. Barrett: That's all.

Mr. Maverick: That is all.

(Witness excused.)

[fol. 237] Mr. Maverick: We rest, Your Honor.

The Plaintiff Rested.

Mr. Barrett: If the Court will excuse me, I will get a witness.

The Court: All right.

HILARION BRANCH was thereupon called as a witness on behalf of the Defendant, being first duly sworn, was examined and testified as follows:

Direct Examination.

By Mr. Barrett:

Q. Please state your name to the Court.
A. Hilarion Branch.
Q. Where do you live, Mr. Branch?
A. Mexico City.
Q. What is your business or profession?
A. I am an attorney-at-law.
Q. Are you a licensed Mexican attorney?
A. Yes, sir.
Q. Mr. Branch, how old are you?
A. I am 69.
Q. How long have you lived in Mexico, sir?
A. Off and on, for thirty or forty years.
Q. Did you attend law school here in the States?
A. I did.
Q. Where were you born?
A. I was born in the British West Indies.
[fol. 238] Q. Were you born a British Subject?
A. I was born a British Subject.
Q. And state now whether or not you are a naturalized Mexican citizen?
A. I am a naturalized Mexican citizen and have been since April of 1912.
Q. When did you receive your license to practice law in Mexico?
A. About 1912; certainly in the early years of 1920's.
Q. Have you had positions down there with the oil companies in the past, when they were doing business in Mexico?
A. I have.

Q. What positions have you held and occupied?

A. I was legal representative of the Huastaoa Petroleum Company, and later with the Agulia.

Q. And where was your office, sir?

A. You mean in what part of Mexico?

Q. In Mexico.

A. In Mexico City.

Q. Mr. Branch, have you in connection with your legal work in Mexico and otherwise had experience in the translation of legal documents?

A. I have had a good deal of experience in that line.

Q. I will ask you to state if you were the Translator of the Mexican 1917 Constitution, as used by the State Department of the United States?

A. Yes, sir; I translated and compared for the American Society in Philadelphia the translation of 1917, compared with the translation of 1857.

Q. That is the American Academy of Political Science?

A. The American Academy of Political Science in Philadelphia. It was published under their rights.

[fol. 239] Q. Have you had occasion in your work, doing legal work in Mexico, to translate from Spanish to English?

A. I have.

Q. Court records and papers?

A. I have, on many occasions.

Q. Have you had occasion to act as an Interpreter in lawsuits in the United States by Mexican attorneys?

A. I have also. I acted in the case between the Mexican Gulf Oil and the Transcontinental.

Q. That case involved how much money, Mr. Branch?

A. I don't recall the exact amount, but it was a substantial sum of money.

Q. I will ask you to state whether or not Counsel on both sides of that case agreed to use you as Interpreter?

A. Yes, sir; my translations were accepted by the Court, and by both parties.

Q. Mr. Branch, have you had occasion to translate some Mexican documents that were turned over to you by me in Mexico for translation?

A. Yes. I received drafts of various documents and corrected them, checked them, word for word, and sentence

by sentence, until I was satisfied that they were, in my best judgment and belief, a faithful translation of the original Spanish documents.

Q. The drafts of the translations that were sent to you for checking and correcting were sent to you by me?

A. They were sent to me by you.

Q. And were they sent to you, purportedly being a draft of my translations that I had made, for you to correct and make them your own?

A. They were.

Q. And did you do that?

[fol. 240] A. I did.

Q. Mr. Branch, I am showing you here Defendant's Exhibit No. 1, and present you with an English translation of that document, and I will ask you to state whether or not in your opinion that is a true and correct English translation, and if you have checked it heretofore?

A. Yes, sir; it is in my judgment a faithful translation, and I have checked it.

Mr. Barrett: We offer the translation in evidence as Defendant's Exhibit No. 1-T.

Mr. Matthews: Offer both Defendant's Exhibits Nos. 1 and 1-T, which is a translation.

Mr. Barrett: Well, it has already been offered. We offer, if we have not already offered the original.

The Court: You have offered that document. You may go ahead.

(The instrument so offered as Defendant's Exhibit No. 1-T, was received in evidence.)

Mr. Barrett: Q. Mr. Branch, I am showing you here a certified copy of a certificate made——

Mr. Ostroff: Will the Court indulge me just a moment on this translation. This is a translation of something, but [fol. 241] possibly I could compare it as we go on; it is probably all right.

The Court: Well, while he is proving them up—I will rule on them later, but you may compare them. We will go ahead, if you wish.

Mr. Barrett: I am showing you here a certificate of the Director General of Industrial Property of the Secretariat

of Economy which is dated January 24, 1950, and I will ask you to state whether the English translation which accompanies the same is a true and correct translation?

A. It is my judgment that it is a faithful translation.

Mr. Barrett: We offer in evidence the Spanish instrument, as Defendant's Exhibit No. 2, and the English translation as Defendant's Exhibit No. 2-T.

(The instruments so identified, were received as Defendant's Exhibits Nos. 2 and 2-T.)

Mr. Barrett: I now hand you a certified copy in Spanish, together with the English translation of a Petition by Carlos H. Rojas, as agent and attorney-in-fact of Mr. George Kessel, dated February 12, 1946, addressed to the Director of Industrial Property, and I will ask you if that is a true and correct English translation of that certified copy?

[fol. 242] A. Yes, sir; the translation is. I made it from the original Spanish document, after checking it and correcting it.

Mr. Barrett: We ask these documents be marked for the purpose of identification Defendant's Exhibit 3 and the English translation thereof as Defendant's Exhibit No. 3-T.

(The instruments were identified as Defendant's Exhibit No. 3 and Defendant's Exhibit No. 3-T.)

Mr. Barrett: I am now handing you here a duly certified copy in Spanish of the answer of Vicente Mac Gregor, agent and attorney-in-fact of Sidney Steele, addressed to the Citizens Director of Industrial Property, replying to the Petition of George Kessel agent and attorney-in-fact of the Bulova Watch Company, Inc., dated March 26, 1946, and also an English translation of that document, and I will ask you if that is a true and correct translation of it?

A. This is the translation as checked and corrected by me.

Q. I see.

A. And in my judgment is a faithful translation.

(The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 4 and 4-T.)

Mr. Barrett: I now hand you here a certified copy in Spanish—these are all duly certified by the American Consul—of an instrument called an application, or [fol. 243] Amended Petition by Carlos H. Rojas, to the Director of Industrial Property, dated April 9, 1946, in behalf of the Bulova Watch Company, Inc., of New York, in connection with the administrative suit, and also an English translation of that document, and I will ask you to state if that is a true and correct translation?

A. Yes, sir; it is a translation, and has been corrected by me.

(The instruments were thereupon identified as Defendant's Exhibit No. 5 and Defendant's Exhibit No. 5-T.)

Mr. Barrett: I now hand you a Spanish certified copy, which has been marked Defendant's Exhibit No. 6, which contains an opinion of the Legal Department of the Secretary of National Economy, addressed to the Director General of Industrial Property, dated August 23, 1946, and also what purports to be an English translation of that document, and I will ask you to state if that is a true and correct English translation of the Spanish document?

A. It is.

Mr. Barrett: We ask that these be marked as Defendant's Exhibits.

(The instruments were thereupon identified as Defendant's Exhibits Nos. 6 and 6-T.)

[fol. 244] Mr. Barrett: Q. I am now handing you a certified copy in Spanish of what is described as "Declaration that the Administrative Application for Nullity of National Trade-Mark No. 33,602 called Bulova does not lie," together with the English translation, and ask you to state if that is a true and correct translation of that ruling?

A. Yes, sir, this is a translation which I corrected, and which I consider a faithful translation.

(The instruments were thereupon marked as Defendant's Exhibits Nos. 7 and 7-T.)

Mr. Barrett: I now hand you a certified copy in Spanish of the Petition of George Kessel, as agent and attorney-in-fact, and representative of the Bulova Watch Company, Inc., of New York, for an injunction against the acts of the Secretary and Director of Industrial Property of the Secretariat of National Economy, and the third prejudiced party, Sidney Steele, said petition being dated September 27, 1946, and I am handing you also an English translation of that Spanish certified copy, and ask you if that is a true and correct translation?

A. It is in my opinion, yes, sir.

Mr. Barrett: We ask that it be marked as Defendant's Exhibits Nos. 8 and 8-T.

(The instruments were thereupon designated as Defendant's Exhibits 8 and 8-T.)

[fol. 245] Mr. Barrett: Mr. Branch, I am handing you a Spanish certified copy of an instrument designated as the Answer of the Third Prejudiced Party, Sidney Steele, through his attorney, Vincente MacGregor, in an injunction suit instituted by the Bulova Watch Company, Inc. against the Citizens Secretary and other officials of the Secretariat of National Economy, the said Answer being dated November 18, 1946; and I am also handing you an English translation of that instrument, and will ask you to state if that is your translation, and if it is true and correct?

A. It is.

Mr. Barrett: I ask that these instruments be identified as Defendant's Exhibits Nos. 9 and 9-T.

(The instruments were thereupon designated Defendant's Exhibits Nos. 9 and 9-T.)

Mr. Barrett: I also hand you a certified copy in Spanish of a document designated as the substantiated report of the Secretary of National Economy as to the injunction filed by the Bulova Watch Company, Inc. of New York against the acts of said Secretary and Sidney Steele, and will ask you if that is the translation that you made, Mr. Branch?

A. It is.

(The instruments were thereupon identified as Defendant's Exhibits Nos. 10 and 10-T.)

[fol. 246] Mr. Barrett: Now, I am handing you a certified copy of a judgment in Spanish, of the First District Court of the Federal District in Administrative Matters of Mexico City in the injunction suit brought by the Bulova Watch Company, Inc. of New York against the acts of the Secretary of National Economy and others, which is dated November 28, 1947, and also I am handing you an English translation of that Spanish document; is that a true and correct English translation?

A. It is.

Q. We would like to have them marked as Defendant's Exhibits Nos. 11 and 11-T.

(The instruments were thereupon identified as Defendant's Exhibits Nos. 11 and 11-T.)

Mr. Barrett: I am now handing you a Spanish certified copy of a document described as the petition of Sidney Steele through his attorney to the Supreme Court of Mexico, dated October 8, 1947, in the injunction suit brought by the Bulova Watch Company, Inc. of New York against the acts of the Secretary of National Economy and others, and the said Sidney Steele, said petition having been filed in the Courts of Mexico, and also an English translation of that document, and will ask you to state whether or not it is a true and correct English translation of the Spanish document?

A. It is, in my judgment.

(The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 12 and 12-T.)

[fol. 247] Mr. Barrett: I now hand you an instrument which will be marked Defendant's Exhibit No. 13, called an Appeal filed by the Secretariat of National Economy to the Supreme Court of Mexico in the injunction suit brought by the Bulova Watch Company, Inc. of New York, and also

a petition addressed to the Supreme Court of Mexico by Vincente MacGregor, attorney representing Sidney Steele, the Third Prejudiced Party, said letter petition being dated March 16, 1948, and it is certified to by E. Manrique, Secretary General of Decisions, Supreme Court of Mexico, and the English translation of that petition, and will ask you if those likewise are true and correct translations.

A. It is.

(The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 13 and 13-T.)

Mr. Barrett: I am now handing you a certified copy here of a judgment, certified to by the Clerk of the Supreme Court of Mexico, dated June 24, 1948, in the same preceding injunction suit filed by the Bulova Watch Company, Inc. of New York, in which the Supreme Court revoked the judgment of the District Court and denied the injunction, and I am handing you an English translation which you made of that decision of the Supreme Court of Mexico, and will ask you if that is a true and correct translation made by you, to the best of your skill and ability, and if it is true and correct.

A. It is, to my best knowledge and belief.

[fol. 248] (The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 14 and 14-T.)

Mr. Barrett: I am handing you now a Spanish certified copy of an official communication, dated August 27, 1948, from the Director General of Industrial Property, addressed to Jorge Kessel Jasvan, in which letter or official communication the Director General of Industrial Property gives an opinion to Sidney Steele, and I will ask you if that is a true and correct English translation of that document.

A. It is in my judgment.

(The instruments were thereupon identified as Defendant's Exhibits Nos. 15 and 15-T.)

Mr. Barrett: I am now showing you a certified copy of a petition by Jorge Kessel Jasvan, as agent of the Bulova Watch Company of New York, dated September 8, 1948,

in another injunction suit which he filed against the acts of the Secretariat of National Economy, and wherein complaint is made of the official communication which I have previously shown you, which has been marked Defendant's Exhibit No. 15, and this certified copy also contains the judgment of the First District Court of Mexico City, dated January 23, 1949, in connection with the same suit, and I will also show you an English translation of those two documents and the petition for injunction and the judgment, and will ask you if those are true and correct translations of those two documents.

A. Yes, sir.

[fol. 249] (The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 16 and 16-T.)

The Court: Do you have anything further?

Mr. Barrett: Yes, sir; we have several more documents.

The Court: Do you anticipate that there will be any objections to any of these?

Mr. Ostroff: There will be several.

The Court: Will that be based on the fact that they vary from the originals? In other words, you want time to compare the copies with the originals?

Mr. Ostroff: Just on a casual glancing over of the instruments, we find some of the purported official documents differ; for example, and there is an indication of the kind of errors, the name of Mr. Steele is spelled incorrectly; whether or not that name appeared incorrectly in the official record, I don't know; however, it is minor.

The Court: How long would it take you to make that check?

Mr. Ostroff: I beg your pardon?

[fol. 250] The Court: How long would it take you to check those documents?

Mr. Ostroff: I think probably the rest of the day, Your Honor.

The Court: Sir?

Mr. Ostroff: I think probably the rest of the day, at least, because there is quite an array of documents here.

The Court: I will let you check them tonight. How much testimony do you have after your documents?

Mr. Barrett: A very small amount, if the Court please, and probably one hour will finish it.

The Court: All right. If it is necessary, I will give you the rest of the afternoon to check, if you require that then, but Court will now recess until 1:30 this afternoon.

(Whereupon at 12 o'clock noon, April 18th, Court recessed until 1:30 o'clock P. M., the same date.)

1:30 o'clock P. M. April 18, 1950.

The Court: You may proceed.

[fol. 251] Hilarion Branch, having been previously sworn, was recalled to the stand for further direct examination and further testified as follows:

Mr. Barrett: Mr. Branch, I am handing you here a Spanish certified copy of a substantiated report to the Secretariat of National Economy in the injunction suit referred to in the two documents which have been previously offered, brought by Jorge Kessel Jasvan, as agent and attorney-in-fact of the Bulova Watch Company of New York, against the acts of the Secretariat of National Economy, and addressed to the First District Judge in Administrative Matters, located in Mexico City, and I will ask you if that is a true and correct translation of that instrument (handing paper to the witness).

A. It is.

(The instruments were thereupon identified as Defendant's Exhibits Nos. 17 and 17-T.)

Mr. Barrett: I now hand you a certified copy of a Spanish document, being a protocolization of a power of attorney from the Bulova Watch Company, Inc. of New York to George Kessel, produced before a notary in Mexico City, on March 26, 1945, which has been duly certified by the Director General of Industrial Property, and likewise by the American Consul in Mexico City, and I am also showing you an English translation of that power of attorney, and ask you to state to the Court if it is a true and correct translation of that power?

A. It is.

[fol. 252] (The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 18 and 18-T.)

Mr. Barrett: Mr. Branch, I am handing you what will be called Defendant's Exhibit No. 19, which is a notice dated September 11, 1948 from the Director General of Industrial Property, Secretariat of National Economy, to the Bulova Watch Company, Inc. of New York, giving notice of a suit filed for administrative declaration of illegal use of trademark of Sidney Steele, being No. 33,602, Bulova, and also attached to it is a similar notice to George Kessel, duly certified by the American Consul in Mexico City, and I am showing you an English translation of that notice of the suit, of the initial suit that was filed in connection with that notice, and is that translation of the notice served on the Bulova Watch Company of New York and George Kessel, a true and correct translation?

A. It is.

(The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 19 and 19-T.)

Mr. Barrett: I am handing you also a notice from the Director General of Industrial Property of the Secretariat of National Economy of Mexico, dated October 8, 1948, addressed to and served upon the Bulova Watch Company of Mexico, D F, and an English translation, and I will ask you if that is a true and correct translation of that notice of that last suit?

A. It is.

[fol. 253] (The instruments were thereupon identified as Defendant's Exhibits Nos. 20 and 20-T.)

Mr. Barrett: I am now handing you what will be called Defendant's Exhibit No. 21, which is an official communication, signed by the Director General of Industrial Property, of the Secretariat of National Economy of Mexico, dated October 20, 1948, and addressed to attorney Vincente Mac Gregor, and to which is attached an English translation, and I will ask you to state if that is a true and correct translation of that official communique.

A. It is.

(The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 21 and 21-T.)

Mr. Barrett: I now show you here an official communication of the Secretariat of Foreign Relations of Mexico, addressed to Sidney Steele, dated March 6, 1950, and the subject being "Inter-American Convention for the Registration of Trade-marks of Manufacturer," duly certified, and to which is attached a copy of the Official Gazette of the United States Patent Office, dated March 12, 1929, and inside of which is set out in English the General American Convention for Trade-mark and Commercial Protection, and I am going to show you a translation of that first communication, and ask you if that is a true and correct copy of that communication.

A. It is.

[fol. 254] Mr. Barrett: I might state to the Court that that translation shows the treaty that they talked about the other day, which was never ratified by Mexico.

(The instruments were thereupon marked for the purpose of identification Defendant's Exhibits Nos. 22 and 22-T.)

Mr. Barrett: Mr. Branch, I am showing you what will be called now Defendant's Exhibit No. 23, which purports to be an English translation of Article 39 of the Mexican Trade-Mark Law of 1928; did you make that translation or check it to determine its correctness?

A. I did.

Q. And is it true and correct?

A. It is true and correct, to my best knowledge and belief.

Q. This is Defendant's Exhibit No. 23, and I might state to the Court that that article provides for action within three years after the original registration was made.

(The instrument was thereupon marked for the purpose of identification Defendant's Exhibit No. 23.)

Mr. Barrett: Now Mr. Branch, I am showing you what purports to be an English translation of Article 200, Section II of the law of Industrial Property of Mexico, 1942, and I

will ask you to state if that is a true and correct translation of that article of Mexican law?

A. It is.

[fol. 255] Q. The Law of 1942 made the same provision with reference to limitation.

(The instrument was thereupon marked for the purpose of identification Defendant's Exhibit No. 24.).

Mr. Barrett: Mr. Branch, I am showing you what will be presented as Defendant's Exhibit No. 25, and ask you to state what that is.

A. This is a translation that I made of Article 31 of the Code of Civil Procedure for the Federal District of Mexico and territories, promulgated August 30, 1932.

Q. Is that a true and correct translation of that law of Mexico?

A. It is to my best knowledge and belief.

(The instrument was thereupon marked for the purpose of identification Defendant's Exhibit No. 25.)

Mr. Barrett: I am now showing you what will be designated as Defendant's Exhibit No. 26, and I will ask you to state what this is an English translation of.

A. This is an English translation of Article 71 of the Federal Code for the Federal District and Territories, promulgated December 30, 1942.

Q. And is that a true and correct translation that you made yourself?

A. That is a true and correct translation, and I made the translation myself, and believe it to be a faithful one from the original.

[fol. 256] (The instrument was thereupon marked for the purpose of identification Defendant's Exhibit No. 26.)

Mr. Barrett: Mr. Branch, I am handing you here a certified copy of what is called "Official Gazette", organ of the constitutional Government of the United Mexican States, which is dated April 6, 1943, and which is in Spanish, in which appears a decree of the Mexican Government, which

denounces the arrangement of Madrid, which was a Treaty with reference to International Trade-marks. Have you checked that translation with the official publication of the Mexican Government to see if it is a true and correct translation?

A. I have. (Marked for identification Defendant's Exhibit No. 27.)

Mr Ostroff: Q. Did you say that you made the translation?

A. Yes, sir, I made it myself.

Mr. Barrett: Q. And is it a true and correct translation?

A. It is a true and correct translation.

Q. How did you translate the word "amparo"?

A. The word "amparo" has a broader conception in Spanish than it has in Anglo-American law, and it is generally translated by the term "injunction", although it will also cover such rights and mandamus and so forth.

Mr. Barrett: That is all.

[fol. 257] COLLOQUY BETWEEN COURT AND COUNCIL

Mr. Ostroff: Now, if Your Honor please, we want to also cover such rights as mandamus and so forth.
translations of these documents, but preliminarily, so that Your Honor will know that our objections are not trifles, we want to take exception presently to the introduction of the documents which have been marked Defendant's Exhibits Nos. 23, 24, 25 and 26, because they are clearly objectionable, in that the original Spanish wording of those statutes relied upon has not been presented.

The Court: Has not?

Mr. Ostroff: Has not been presented to us, nor are we given the citation of the page, so that we can refer to those laws, in a simple manner, like 8 U. S. Code, Section so-and-so, and we are without years, and without general titles, and no specific references. In addition to that——

Mr. Barrett: I have those, and I will be glad to present the certified copies of the laws.

The Court: All right.

Mr. Ostroff: Well, until those certified copies——
The Court: Sir?

[fol. 258] Mr. Ostroff: Until those certified copies are presented, together with the translations, Your Honor, we have nothing with which to compare the translations, or any direct reference to the Code, and we can't determine in the absence of the original sources whether these are correct translations, or whether these translations agree.

As to the rest of the exhibits, being Defendant's Exhibits Nos. 1 to 22, inclusive, we have the main objection that these exhibits purport to be documents from official sources in Mexico, and are not properly exemplified; for example, the signature of the official who signature purports to be there and certified to by the United States Consul on duty in Mexico, that is not sufficient, because the title of the person must be exemplified by his Superior, or by the office in which he serves and the exemplification over his signature must also be certified by the Consul under International Law. I would like to point out to Your Honor that I have the duty of exemplifying papers for the Republic of Guatemala, whom I have the honor to represent as honorary Consul, and we never exemplify the signatures of the persons attached to a document itself, unless the proper Court has exemplified the signature of that person. We have a decree which at the proper time we are going to present so Your Honor can see it, and we not only have the signature of the Clerk of the Court, but we have the exemplification of his Superior, and that is the manner of the presentation of documents in evidence in the American Courts, and for that reason, we object to Exhibits Nos. 1 to 22, inclusive. As to Exhibit No. 27, which is merely a certification of a publication, we cannot make that objection, because it [fol. 259] appears to be an official publication, and we don't enter any objection to that. We merely want time to compare the translations with the original text, as to the documents, and we want to object to the introduction of those documents, that is, after Exhibits Nos. 22, we offer that objection, as well as any other objections that will turn up, when we have had an opportunity to study them, if Your Honor will give us that opportunity.

The Court: What is your reply to his objection?

Mr. Barrett: My reply is, of course, that the Code provides the manner in which foreign documents may be certified, by the custodian of the Records, and his signature likewise by the American Consul, and the rules so provide, and there is nothing to that objection whatsoever.

The Court: What is that rule; do you recall?

Mr. Barrett: It is Section XVII. I think that I have a copy of it here somewhere. If not, I will supply that, but I have followed the law with reference to foreign documents and records in foreign Countries, under the Federal Code.

Mr. Matthews: Under the new Federal Code.

[fol. 260] Mr. Barrett: In each one of the instances here, the Consul certifies, "I, W. John Wilson, Consul of the United States of America in Mexico, Federal District, United Mexican States, duly commissioned and qualified, do certify that * * * whose true signature and official seal are, respectively, subscribed and affixed to the annexed document was on the 16th day of December, 1949, the day of his certification thereof, Director General of Industrial Property, Ministry of Economy, Mexico, D F, Mexico (Legal Custodian of the File) to whose official acts faith and credit are due." That is all that the law requires.

The Court: I wish that you would find that particular Section.

Mr. Matthews: I may be able to put my hands on it right now.

Mr. Barrett: Under the Federal rule, that is all that is required to be certified with reference to the foreign custodian of a record.

The Court: Do you remember the number of the rule itself?

Mr. Matthews: It is in the Federal Rules.

The Court: Probably counsel can get it.

[fol. 261] Mr. Matthews: Yes, sir, we will get that.

Mr. Barrett: Of course, Mr. Branch, who is a Mexican lawyer, of course, is qualified to testify as to Mexican law, and he has testified with reference to the copies here, that those are translations of the Mexican law. Now, as to the Articles of the Trade-Mark Law of 1928, to meet their objection, on that, for instance, I have a certified copy of the entire law, but I didn't want to encumber the record, but I

will introduce just that part of the Article that is translated to meet their objection on that.

Mr. Ostroff: It should be numbered in accordance with the particular instrument for instance. Exhibits Nos. 22, 23, 24 and 25.

Mr. Barrett: Well, in connection with that matter, that is, in connection with the translation which is marked Defendant's Exhibit No. 23, we will offer in evidence a certified copy of the Diario Official, dated the 27th day of July 1928, Article 39, Section II.

(The instrument was thereupon marked for identification Defendant's Exhibit No. 23.)

Mr. Barrett: And we also offer in evidence a certified copy of the Diario Official, dated the 31st of December, 1942, Law of Industrial Property, insofar as it pertains to the English translation of Article 200, Section II.

[fol. 262] (The instrument was thereupon marked for the purpose of identification, Defendant's Exhibit No. 24.)

The Court: Now, Counsel, as to your objection as to the authenticity of these documents, it appears to me that it is without basis, based on Rule 44-A.

Mr. Ostroff: I am sorry.

The Court: Have you read that?

Mr. Ostroff: No, I have not.

The Court: You haven't read it?

Mr. Ostroff: I should like an opportunity to read it, sir.

The Court: Well, here it is, the latter part of Rule 44-A.

Mr. Barrett: Now, if the Court please, we would at this time like to offer all of the documents in evidence, together and separately.

The Court: All right. Of course, I will carry your objections along. You haven't objected to the translation because you haven't had an opportunity to compare them.

[fol. 263] Mr. Ostroff: The Court, I assume, will give me an opportunity to check them?

The Court: Yes. Now, if you can bring me any law which shows that they are inadmissible, I will reverse my ruling, but I am going to overrule your objection at this time as to the authenticity of those records.

Mr. Ostroff: Grant us an exception.

The Court: I don't know that I understand you or not, what you said awhile ago. You want time in order to compare each of the translations with the originals?

Mr. Ostroff: Yes.

The Court: And do you then wish to question Mr. Branch after you have made the comparisons?

Mr. Ostroff: After we have made the comparisons, so that I can do it intelligently; we may waive everything.

The Court: Now, about how long do you think that it will take you to do that?

[fol. 264] Mr. Ostroff: Well, there are twenty-eight exhibits; and some of these are rather lengthy, and I would like to have the rest of today, and a part of tomorrow morning.

The Court: What time would you want tomorrow morning? I will give you until 9:30 in the morning, and we will see how far you have progressed.

Mr. Ostroff: All right, I will report at 9:30.

The Court: And I presume that Mr. Branch may now stand aside at this time, unless you have some further questions?

Mr. Barrett: That is all.

The Court: Well, are you now prepared to go on with any other line of testimony at this time?

Mr. Barrett: Would the Court like for me to point out what is in these documents?

The Court: I presume that it would be better to wait until after Counsel has had an opportunity to make an objection to them.

[fol. 265] Mr. Barrett: Very well, Your Honor. We have no other witness. We would like to acquaint the Court with the contents of the evidence by merely pointing out some of the things in these various documents.

The Court: I will give you an opportunity to do that, Counsel; you can either do that now or afterwards. They are admitted in evidence.

Mr. Barrett: Yes, sir.

Mr. Matthews: Your Honor, I would like to state that I don't think that Mr. Barrett quite caught the question you asked him. Our next witness is a Mexican lawyer, who has examined all of the proceedings and is familiar with the

judgments entered here, and his testimony will be about Mexican law, and the rules of Mexican law applicable to those judgments, to show the legal effect in Mexico of those judgments.

The Court: Well, do you have any further fact witnesses, besides this gentleman from Mexico?

Mr. Barrett: Sir?

The Court: Do you have any other fact witnesses besides this gentleman from Mexico?

[fol. 266] Mr. Barrett: No, sir. We may have some additional testimony, however.

The Court: Sir?

Mr. Barrett: We may have some additional testimony.

The Court: Well, are you prepared to offer that in evidence now?

Mr. Barrett: No other just at this moment.

The Court: Well, I presume that the best thing for us to do is to recess until in the morning at 9:30, in order to give these gentlemen a chance to do what they think they should do, unless there is some other suggestion.

Mr. Barrett: Well, to save time, I think that since they have the English translations here of the documents, that I am going to interrogate the gentleman about, that it would save time, if we would go ahead this afternoon with him; he has been waiting here for two days outside of the Court Room.

The Court: Is there any objection to that?

[fol. 267] Mr. Ostroff: Well, we are not familiar with the documents at all, Your Honor, and we would not know what he was talking about.

Mr. Matthews: Well, we plead these documents last July, and put these people on notice, and we asked a continuance in order to get our certified copies, and these are proceedings to which this Plaintiff was a party, and these lawyers ought to know what is in the documents before they walked into this Court Room as a matter of fact, if they are prepared in this case. I am not objecting to a reasonable time being given them, but they ought to have the translations.

Mr. Putman: Well, the translations as they appear here, not only do they encompass the pleading that they are

translations of, but they also contain notes of the Translator's impression and his opinion, that this was so-and-so, instead of what was said, and things of that kind which necessarily means it will be necessary for us to compare the originals with the translations to determine whether or not his opinion and his impressions of what was meant is correct in these translations.

Mr. Matthews: The notes are simply the notes of the Translator in rendering a translation in English; there is his interpretation, and then the witness says what other possible interpretation there could be placed on it.

[fol. 268] The Court: All right, Gentlemen, we will recess until 9:30 o'clock in the morning.

(Whereupon a recess was taken in this case until 9:30 o'clock A. M., April 19, 1950.)

9:30 o'clock A. M. April 19, 1950.

(Court met pursuant to adjournment.)

The Court: Are you gentlemen ready to proceed?

Mr. Maverick: I would like to have the Record show that we may have some additional matters that we may want to place in the Record. When I said that we rested, I did not mean that we were closing our case, because there may be some matters, if it reaches that point, that is, the point of damages, or something like that, that we would want to introduce evidence on.

The Court: If it reaches what?

Mr. Maverick: If it reaches the point of the matter of damages.

The Court: Well, when you rest, that means that you rest. Counsel. Now, if you have changed your mind, and wish to withdraw your announcement of closing, I will permit you to do so.

[fol. 269] Mr. Maverick: We would like to do that. This is the first time.

The Court: When you say this is the first time, what do you mean?

Mr. Maverick: I mean that I won't do it again.

The Court: What?

Mr. Maverick: I mean I won't do that again.

The Court: All right.

Mr. Ostroff: If the court please, with respect to these documents that were presented yesterday, we have checked, and find that under the new Statute, or the re-codification, that they are clearly admissible, as far as formalities are concerned. However, I must ask the Court's indulgence to allow us a little more time to go through these translations. I want to tell the Court that several of us sat up, and worked pretty rapidly and carefully, and we have only completed the comparison of nine of these documents. I don't know how long it took Mr. Branch to do it, but we were only able to complete the comparison of nine of the documents.

The Court: You completed how many?

[fol. 270] Mr. Ostroff: Nine of the documents, but I think it will move a little faster, because in a great many respects, some of the documents are repetitive, and they repeat themselves so, we can move a little faster as we go along, but I should like to ask the Court's indulgence and ask the Court to pass us by for the better part of today, and perhaps some other litigant can have his case heard while we are working on this.

The Court: Can't you pair off on the deal?

Mr. Ostroff: I am sorry I didn't hear you.

The Court: Can't you pair off; put two on one document, and two on another?

Mr. Ostroff: That is not the way that it is done, sir.

The Court: What?

Mr. Ostroff: I don't know that I understood just what you said.

The Court: Well, you and Mr. Maverick might work together, and Mr. Putman and this other gentleman might work together.

Mr. Ostroff: Your Honor, only one of us reads Spanish.

[fol. 271] The Court: You are translating those documents?

Mr. Ostroff: That is the only purpose for which we could ask the Court's indulgence, because otherwise, we would have to——

The Court: I don't know whether I can try another case in the meantime or not.

Mr. Maverick: Your Honor, I want to say that although I have been raised in San Antonio, I don't know any

Spanish, and Mr. Ostroff knows Spanish, and I don't. He is from Philadelphia; a Philadelphia lawyer. We worked on this matter until 12:30 last night, and just about 12 o'clock, we decided to get a local lawyer, who is well versed in Spanish, and I have called several different ones and asked who would be an expert, and they told me Mr. Barrett, and I told them that he was not very acceptable (laughter).

The Court: Probably you ought to rely on his translations.

Mr. Maverick: They said that he was all right, and I said, "No, we want another lawyer." So, we decided on two of them, and I can't get them. They are local Latin-American lawyers, and I haven't been able to get them either this morning or last night, and it is going to take some more time, because I don't know Spanish at all.

[fol. 272] Mr. Barrett: Your Honor, the translation of Spanish legal documents requires skill and experience, and Mr. Branch has testified that these documents are true and correct. I sent him a draft, as I told the Court, and he corrected those to suit his own idea as to what was meant by the Spanish. In other words, they are his translations. Now, if they are asking delay of the Court in order to check these translations, that Mr. Branch and I are responsible for before this Court, I think that they are just wasting their time.

The Court: I am inclined to agree with you, but at the same time, I am disposed to give them an opportunity to go into the matter, if it isn't going to take too long.

Mr. Putman: If the Court please, in the first nine instruments that we have examined, of course, as Mr. Barrett stated, Mr. Branch's translations were according to his impression, as furnished him by Mr. Barrett, and in the first nine instruments, we have questions arising, covering approximately eight pages of questions, where we think that the translations or the translation was not fair and was not proper, and that is only nine of the instruments. It is not the instruments that are being questioned, but the translations of the instruments.

The Court: And do you think that it will take the rest of the day, do you?

Mr. Ostroff: Yes.

[fol. 273] Mr. Putman: Yes, sir, it will, sir.

The Court: All right; I am going to give you until tomorrow morning at 9:30, but at that time, we are going to resume this trail.

Mr. Ostroff: Yes, sir; we will work right through. We went to bed at 1:30 last night.

Mr. Barrett: Now, if the Court please, if they want to bring somebody here or give their version, if they can qualify them as experts on Spanish translations of legal documents, very well, but we offer these as true and correct translations, and if they have someone else who has a different version of it, why, let them put him on the stand and prove it up.

The Court: Well, naturally, that man couldn't get on the stand and prove it up, until he has had an opportunity to read them and compare them. That is the purpose.

Mr. Barrett: We are going to insist on their qualifying the translator that they are going to use.

The Court: Well, that matter will come up when they want to put him on the stand. I assume that these gentlemen know what objections that they will have to meet. All right, Gentlemen, you will be excused until 9:30 tomorrow morning.

[fol. 274] (Whereupon this case was recessed until 9:30 o'clock A. M., April 20, 1950.)

9:30 o'clock A. M. April 20, 1950.

(Court met pursuant to adjournment.)

The Court: Are you gentlemen ready to proceed?

Mr. Ostroff: Yes, Your Honor. Now, I would like to reserve the right to object to each of the offers as we come to them, instead of trying to direct a mass of objections at one time, because I have such a great number of objections to a great number of the offers, and I think——

The Court: Your might have one objection that will go to several instruments?

Mr. Ostroff: Well, that is true, in some instances, but not in all; I am going to make a general objection to the instruments, and then Your Honor can rule on that, and then I want to still have the right to object to each individual in-

strument introduced at its proper place in the proceedings.

The Court: At the proper place?

Mr. Ostroff: Yes, sir, because there are twenty-eight of them, and we could keep track better, if they are offered individually.

[fol. 275] The Court: As I understand it, the Defendant has already offered them.

Mr. Barrett: Yes, sir, we offered them the other day as a whole, and also separately, all of them.

The Court: That being true, it seems to me like, Counsel, you can object to them now, if you wish.

Mr. Ostroff: If he is offering them as a whole, I would like an offer of proof, before they are received by the Court.

The Court: I didn't understand you.

Mr. Ostroff: I would like an offer of proof.

The Court: What do you mean by offer of proof?

Mr. Ostroff: What he expects to prove by this wholesale offer of all of these documents.

The Court: Well, I think that the instruments speak for themselves. Go ahead and make your objections.

Mr. Ostroff: I say that, because a great many of these documents are nothing more than briefs and arguments [fol. 276] filed by the Defendant here, and by various Governmental agencies of Mexico that were involved in these proceedings, which were the actual defendants; and some by our agent at one point, and then by a man who denies that he was our agent at another point, and there are two distinct groups of pleadings that are offered and briefs that are offered, in addition to the documents that are offered, and I want to object to those for that reason, unless the Defendant will show that they are relevant, and we object to their introduction on any basis whatsoever; that is the general objection first.

The Court: Well, you don't state enough there for the Court to rule on, Counsel. Your objection doesn't specify anything. I will overrule that. I will overrule that.

Mr. Ostroff: Well, if I may——

The Court: Counsel, I am going to have to ask you to talk a little bit louder. It is difficult for me to hear you.

Mr. Putman: May I make a suggestion to the Court in

order that we can move a little faster; we have been furnished translated copies of the various documents, and we will raise objections as we go along, and I would suggest that the Court have the translation before him at the time, so that he can keep up with us.

The Court: I will be glad to have it.

[fol. 277] Mr. Ostroff: With respect to the offering of Defendant's Exhibit No. 1, and may I also suggest in objecting to Defendant's Exhibit No. D-1, that our objection goes to the translation——

The Court: Speak out.

Mr. Ostroff: Our objection to Defendant's Exhibit No. 1 is to the translation, as well as to the original document, or the purported original document that is offered, and we think that it might be well if the Translator, or the man who is vouching for the validity of the translation were to be on the stand and be ready to testify; he has been sworn already.

The Court: Is that D-1 or B-1?

Mr. Ostroff: D-1; it is the bottom one there. It is the bottom one. There are inversely piled up there for Your Honor, it is the last one there. You have D-1 there at the bottom of the pile, the last one offered. If you will turn them upside down, you will be able to take them off as they come.

The Court: Well, this one that I have here now is Defendant's Exhibit No. 1-T.

Mr. Ostroff: That's right. May I suggest that Mr. Branch resume the stand?

[fol. 278] The Court: All right.

Hilarion Branch, having been previously sworn, resumed the stand for further examination, and further testified as follows:

Cross Examination.

By Mr. Ostroff:

Your Honor, before I question Mr. Branch, Sir, on anything specific, I should like to just question him as to his qualifications?

The Court: All right.

Mr. Ostroff: And qualify him, and then we will go into the documents themselves.

The Court: All right.

Mr. Ostroff: Q. Mr. Branch, did you ever work for Mr. Steele in Mexico City or anywhere?

A. I did not.

Q. Did you ever work for Mr. Barrett?

A. I did not.

Q. Who asked you to make these translations?

A. Mr. Barrett came to Mexico, and interviewed our firm in regard to the case.

Q. And who are your firm?

[fol. 279] A. Our firm consists of myself, Lic. Senties and Lic. Guerreo.

Q. How do you spell Guerreo, please?

A. G-u-e-r-r-e-o.

Q. And where is your office in Mexico?

A. San Juan de Letran, 21, 806-807.

Q. You said the other day that in 1917 you made a translation of the Mexican Constitution for the American Academy of Political Science at Philadelphia?

A. I made the translation, and it was published under the auspices of the Association, or of the Society, at their request.

Q. And who engaged you to make the translation?

A. No one; I did it of my own accord.

Q. Now, did you do that work entirely yourself, or was it in conjunction with the work of a firm?

A. No; I did it on my own.

Q. And you, yourself, did it?

A. And I, myself, did it.

Q. Now, at that time, were you a member of the Mexican Bar?

A. No, I was not then yet a member of the Bar.

Q. Were you a graduate of a law school at that time?

A. I was.

Q. What law school, please?

A. George Washington Law School.

Q. Now, where had you learned your Spanish at that time?

A. I had learned it in Mexico, before I went to the United States.

Q. And when did you get out of law school?

A. In 1915.

Q. And what degree did you receive.

[fol. 280] A. LL.B.

Q. And where did you say that you had learned your Spanish—I am sorry?

A. I learned it in Mexico, and I also lived while I was a small boy, for two or three years in Porto Rico where Spanish was then even more common than it is today.

Q. Now, when you got out of law school, did you go back to Mexico City?

A. No; I remained in Washington until—I think that it was 1921, when I accompanied the—what was known then as the Big Five, that is to say, the Presidents of the five largest operating companies in Mexico, who were going to Mexico for a conference with the Mexican government, and I was engaged to go with them for the purpose of translating and interpreting in this conference with the Mexican Government.

Q. What kind of work did you do between the time that you got out of law school and the time that you went back to Mexico?

A. I was engaged in general law work in Washington with what was then the Doheney Interests.

Q. Did those interests require any work or study of Latin-American documents?

A. It did.

Q. What kind?

A. Translations, comparisons, and opinions.

Q. What do you mean by opinions?

A. Well, I might be asked by one of the American attorneys what I thought was the effect of a particular decree or a particular law or a particular provision.

Q. What kind of decrees?

A. Decrees published by the Mexican Government, or perhaps by some other South American Government.

[fol. 281] Q. Had you studied any Mexican jurisprudence?

A. I assume that you are using the word jurisprudence in the Anglo-Saxon term in law?

Q. I am for the present.
A. Yes, I studied it in law school.
Q. Which law school?
A. George Washington.
Q. And what was the course that you studied there?
A. The regular law school course.
Q. What subjects in the regular law course dealt with Mexican jurisprudence?
A. Mexican jurisprudence—obviously not. I was mistaken on that. I thought you said American jurisprudence?
Q. I used the word jurisprudence in the Anglo-Saxon term, but I asked about Mexican jurisprudence.
A. I had previous to that worked as a translator in a law firm in Mexico City for several years before I went to Washington.
Q. And when did you go to Washington?
A. In 1912, if I am not mistaken.
Q. And when did you enter George Washington Law School?
A. Immediately.
Q. Now, what Mexican law firm had you worked for before you went to Washington?
A. Calero y Vera Estanol.
Q. Is that "g" like in God or "v" like in Vincent?
A. I beg your pardon?
Q. Is that Gusra or Vera?
A. Vera. That was the name of the firm.
Q. What kind of work did you do for Calero y Vera Estanol?
A. I did all kinds of translating.
[fol. 282] Q. All kinds of translating, is that right?
A. Yes, sir.
Q. Did you draw any pleadings?
A. Not at that time.
Q. Then, before you went to Mexico, in 1921, did you ever draw any Mexican pleadings?
A. Before I went to Mexico in 1921?
Q. Yes.
A. No.
Q. You went to Mexico in 1921, with the Big Five?
A. Yes.

Q. And when did you become a Mexican citizen?

A. In 1912.

Q. I understood you to say that you were in Washington in 1912.

A. Exactly; I was in Washington; I think that I arrived there in May, and my naturalization papers were issued April 12, 1912.

Q. Now, what did you do, or what did you have to do to qualify as a member of the Mexican Bar.

A. My certificate and studies were examined by the Department of Public Education, which is the Department charged with that duty, and they were approved, and I was admitted to the Bar; I think that it was in 1921; at any rate, it was early in the 20's as I said before.

Q. Did you practice independently, or at the office of some Corporation?

A. I was the legal representative from 1923 to 1933 of the Huasteca Petroleum Company.

Q. Now, what do you mean by legal representative?

A. I represented the Company and had under my charge all of the lawyers of the Company who——

Q. Before we get to that, what do you mean by you represented them?

[fol. 283] A. I mean by that that I had their full power of attorney with all administrative matters and other matters of policy, they were taken up by me and discussed by me with various authorities and all of the lawyers of the Company were under my direct supervision.

Q. You were the manager then—is that what you are trying to tell us—that you were the manager of the Company there?

A. I would not use that term, because so far as oil companies are concerned, the manager is generally the man who has charge of the actual oil operations, and I was not in that capacity.

Q. You were in charge of the office, is that right?

A. I was in charge of the office in Mexico, with the legal staff at my command.

Q. You also had the accounting staff at your command didn't you?

A. How is that?

Q. The accounting staff was also subject to your jurisdiction, is that right?

A. Yes.

Q. And so was the stenographic staff?

A. Yes.

Q. So that your duties were not purely legal duties?

A. No.

Q. I don't mean from the standpoint of right or wrong, but they were not purely in line of the law?

A. You are correct.

Q. And what was your next job?

A. I remained there until 1933, and I went to Cuba on a special Commission for the Shell and spent, I think, six or eight months in Cuba, chiefly making contracts and tying up lands and leases for the Shell. At the end of that—do you want me to continue?

[fol. 284] Q. Please.

A. At the end of that time, I was employed by the Agula Oil Company.

Q. And where is the Agula Oil Company?

A. In Mexico City.

Q. How long were you employed by Agula?

A. Directly by Agula until the expropriation of the oil companies in March of 1938, after which I was called to London and spent——

Q. But before we get to London, what did you do for the Agula Oil Company; what was your capacity there?

A. My duties were very similar to those which I performed with the Huasteca, with the sole exception that I was not Number One, as I had been with the Huasteca, but I was subject to the General Manager of the Company, who was called the Director.

Q. Well, were you the office manager under the Director?

A. I would hardly say that the term office manager, in my judgment——

Q. Well, used in an American sense.

A. ——represented the duties that I was called upon to perform. I was under the Director General of the Company, and who was President of the Company, and I was called upon to handle, as I was handling with the Huasteca, all matters dealing with the Government and involving, of

course, several legal issues, but it was under his general supervision and direction. I was not Number One. Therefore, when you use the term "office manager", in my judgment, the term office manager rather implies purely administrative office work, with which I certainly was not engaged.

Q. Well, would you call yourself then the executive assistant to the office manager, or to the Director General?

[fol. 285] The Court: I don't think that what he is called means anything. It is what he did. Find out about that, if you want to test his qualifications.

Mr. Ostroff: Q. Well, in other words, your duties were not purely duties pertaining to the administration of the law.

A. No, but I should say that a very large percentage of the matters with which I had to deal necessarily involved questions of law.

Q. Well, that is true in a retail store, too, isn't it?

A. Certainly not to the extent it would be in my case, in my opinion.

Q. What kind of legal matters did you handle in that capacity as Number Two man at the Agula?

A. Well, they were all questions involving the presentation of applications and petitions, or what was known then as a confirmatory concession, and to see that those petitions were properly presented, filed and processed—that seems to be a proper term in these days—through the Departments until the issuance of the actual titles to the Company.

Q. Would you say that you were then the conveyancer for the Company, you handled all of the conveyancing for the Company?

A. No, I wouldn't say that; I wouldn't use such term. It was my duty to take all of the documents, and to see that those documents were properly filed with, of course, the assistance of the lawyers, and to see that those documents received proper and due attention by the Governmental authorities until those titles to those properties were actually issued and recognized by the Government.

Q. Now, were those lawyers who assisted you Mexican lawyers?

[fol. 286] A. I should say in almost every instance they were.

Q. So that in every stage of the proceedings, you had the aid, the advice, and the assistance of someone trained in Mexican law; is that a fair statement?

A. Yes, sir.

Q. What is the name of your firm now?

A. Branch, Senties & Guerreo.

Q. Now, after you were through with Agula, you went to London, is that right?

A. Yes, sir.

Q. And what year was that?

A. Well, I was called to London immediately after the expropriation, for the purpose of acting as a species of liaison between London and Mexico.

Q. And what year was that?

A. If I am not mistaken, I arrived in London in May of 1938.

Q. And by what firm were you employed in London?

A. Well, I was being paid from the same payroll that I was being paid before, that was the Agula payroll.

Q. Was Agula a British Company?

A. Well, there were substantial British also Dutch interests.

Q. And their headquarters were in London at that time?

A. At that time, yes, sir.

Q. Now, what were your duties for Agula?

A. I have already answered that, and said that they were entirely similar to those which I performed for the Huasteca; do you want me to go over them?

Q. That might have been an ambiguous question; I meant in London; I am sorry; what were your duties for Agula in London?

A. In London, I was engaged in advising, commenting, and writing memoranda upon various and sundry aspects, [fol. 287] queries, and matters, as they arose out of the expropriation, and generally advising on the question. Obviously, many of those points were of a legal nature, or quasi legal, at the very least.

Q. How long did that assignment last?

A. I remained there until about October of that year, and then I was sent by the Company on a long tour through South America.

Q. And how long were you in South America?

A. Well, it is a little difficult for me to answer that question with any degree of accuracy, because I visited Brazil, I visited Chile, and I visited Venezuela, and I came back to the United States to New York, and then I subsequently had to visit other Countries, such as Venezuela and Colombia, and I had to return to Brazil, and it is a little difficult frankly for me to say how many months I spent, but I visited a large number of South American Republics and was called upon by the Company to make reports upon legal matters; I think I must have digested—and I am using the term in the sense of a synopsis, all of the more important laws dealing with property rights, labor, social relations, and taxes, in all of those various countries, coupled with a general opinion as to my judgment of what that particular trend in the legislation was likely to be.

Q. In what respect?

A. With respect to the whole question of property rights, mostly.

Q. What kind of property rights?

A. Obviously the Companies were fearful——

The Court: I think that you are going a lot more in detail than necessary along that line Counsel. Go on with his qualifications.

[fol. 288] Mr. Ostroff: Q. Now, when did you come back to Mexico?

A. I went back to Mexico at the end of 1943, having resigned from the Shell because I did not feel that I could be separated from my family as I was on that particular assignment.

Q. Do you travel on a Mexican passport?

A. I do.

Q. And that passport states your occupation, does it not?

A. It does.

Q. And what occupation is it that appears on your passport?

A. Abogado.

Mr. Barrett: If the Court please, we are going to object to the questions along this line; it doesn't have anything to do with the qualifications of this witness to translate Spanish documents, as to what appears on his passport.

The Court: I am inclined to agree with you on that.

Mr. Ostroff: I would like to point out that I am not trying to be captious, because a man's occupation appears on his passport, and the occupation would be indicative as to whether or not he was a translator or a lawyer, or just what his occupation is, and it would indicate something as to his qualifications.

The Court: Well, go ahead and ask the question, but get down to the case, and let's get through with it. We are taking too much time.

[fol. 289] Mr. Ostroff: Q. Now, when you returned to Mexico, in 1943, Mr. Branch, what kind of work did you do?

A. I was invited by these two Mexican partners, or by these two Mexicans, who are at the present time my partners, to form the law firm, and we opened the law firm in February of 1944, the present law firm, and I have been practicing in that firm since.

Q. Now, have you ever appeared in any Courts in Mexico?

A. You mean personally?

Q. Personally.

A. No, sir, I have not.

Q. Have you ever prepared any pleadings for Mexican Court personally?

A. It would be a little difficult for me to answer that question with any degree of definiteness, because obviously, in a law firm, why, there is a certain amount of general cooperation, and while I would not claim that I am a drafter of those documents, as I do not claim that I generally am, I certainly intervene, and certainly have my say in all of those documents that are presented.

Q. Now, with respect to these particular documents, Mr. Branch, for whose translations you appear as an expert, when did you first see the Mexican documents which were to be translated?

A. Well, it would be difficult for me to say the exact months; Mr. Barrett sent a large number of those docu-

ments to me, and I began as soon as I reasonably could to compare, and to check, and sent him back the translations corrected, according to my best knowledge and belief, some time last year.

Q. Well, it is not clear in my mind: Did he send you the Spanish documents or the translations to be checked?

A. He sent me a draft; he sent me a draft with the original Spanish document.

[fol. 290] Q. Did you personally check those drafts or did someone in your office check them?

A. No; I personally checked them.

Q. Every one of them?

A. Every one of them.

Q. Now, I would like for you to be very particular in your answer to me as to when you received these documents for comparison and verification as to translations.

A. Do you mean by that I am supposed to give you the day and the month?

Q. No, approximately.

A. Some time last year.

Q. Would you say that it was the middle of last year, or the end of last year, or in-between?

A. Well, as far as my recollection goes, it was somewhere about the middle of the year, but I wouldn't be absolutely sure of the date.

Q. Would you say July, or would you say September, or would you say December?

A. Frankly, I couldn't give you the exact month.

Q. Well, was it nearer July than it was to December?

A. That I am unable to answer.

Q. Sir?

A. That I am unable to answer.

Q. Now, Mr. Branch, when these documents were given to you for translation, I note that all of the translations have copies of the United States certification on them; these were attached to them, when you received them; is that right, these certifications by the Embassy or by the Consul?

A. That, frankly, I do not remember.

Mr. Barrett: If the Court please, I don't understand the purpose of all this line or questioning; it is a waste of the Court's time, taking up these little things in this case.

[fol. 291] The Court: I fail to understand it myself.

Mr. Barrett: And we submit, right now, if the Court please, that the witness has shown his qualifications as a translator and has shown his qualifications, and we object to any further taking the time of this Court on that subject.

The Court: I think that the witness is qualified. The question now is whether or not you can call his attention to any mistake that he made, in what he says is a correct translation of the documents.

Mr. Ostroff: There is a litte bit more than that involved, Sir, if I may say. These documents were to have been compared with the original, duly authenticated and certified copies of the documents. If he examines documents without the United States seal on them, they were not properly authenticated, and he could not possibly compare the translation. In addition to that, if Your Honor will look at the last sheet of it, every one of the exhibits that have been offered, he will see that there is an affidavit by the appropriate officer of the United States Consul in Mexico, that is attached to the translation. Now, the Court has the right to presume that that certificate was attached to the translation by the translator.

Mr. Barrett: If the Court please, I think that that is facetious argument, because he does not have to translate English, and whether it was on there at that time, or whether it was not, is immaterial and irrelevant to any issue in this case and is grabbing at straws.

[fol. 292] Mr. Ostroff: We are not grabbing at straws. We don't need to in this case. We are merely trying to authenticate documents and question this man as to each specific document, to see how much he actually did himself on these documents, and whether or not he actually read these documents, because I am going to point out by the witness himself, that there are variances.

The Court: Well, ask him about them.

Mr. Ostroff: Well, we will get to those, but I want to ask him first——

The Court: Well, repeat your question, and I will pass on it.

Mr. Ostroff: Q. Mr. Branch, at the time that you examined these documents and made a comparison with the transla-

tions, were the certifications of the United States Consulate and Embassy attached to the documents with which you compared the translations?

A. I don't remember.

Q. I call your attention to the fact that these documents have a red seal and a large red ribbon, and the seal of the United States of America, and the seal of the Consular Service in Mexico City; does that refresh your recollection? A. No, it does not, because it is perfectly natural for one to see documents with certifications; that is a perfectly natural thing; it is not a thing that is particularly striking.

[fol. 293] Q. You don't remember. As an expert who has passed on documents for so many years, wouldn't it be striking to you if those seals and ribbons were lacking on those documents?

The Court: I think that you have gone far enough there.

Mr. Ostroff: Now, with respect to instrument No. 1, on page 3 of the translation—here is the original—; will you indicate to His Honor and to me wherein the instrument the equivalent of okay appears.

A. May I get under the light here, sir?

The Court: Yes.

Mr. Ostroff: Mr. Barrett points out to me that it may not be the same page. You are free to look anywhere through here and find it, Mr. Branch.

A. I am supposed to find the term "okay"?

Q. Or the Spanish equivalent.

A. Visto bueno.

Q. Or its Spanish equivalent; I cannot find it on the document myself.

A. Such examination as I make of it, I don't see the term.

Mr. Barrett: May I see it?

Mr. Ostroff: Let Mr. Barrett help you.

[fol. 294] Mr. Barrett: I see it; it is very indistinct here; come here and I will show it to you.

A. My eyes are not as young as yours.

Mr. Ostroff: If Mr. Barrett finds it all right.

Mr. Barrett: It is right here above the expression, where this appears in the translation.

A. That is the expression that I have used. It is a common expression.

Mr. Barrett: Come up here and I will show it to you.

Mr. Ostroff: You are right; it appears there; it is barely visible.

Mr. Barrett: Yes, it is.

A. Barely visible.

Mr. Ostroff: Now, Mr. Branch, as soon as we are through with one single document, just turn it over to the Clerk, and we will then go on to the next one.

The Court: You say that you are through with that one?

[fol. 295] Mr. Ostroff: We are through with that one.

The Court: That is Number One.

Mr. Barrett: Which we offer in evidence now.

The Court: All right.

Mr. Ostroff: It has already been identified. Now, there is no objection to the instrument marked No. D-2.

The Court: All right; that is admitted in evidence.

Mr. Ostroff: Now, with respect to instrument marked Defendant's Exhibit No. 3, in your translation, Mr. Branch, you took the words "primer secretario"—do you see them at the top of the page there?

A. I do.

Q. They are in the description of the office of Licenciado Emilio Canseco Noriega.

The Court: On document No. 3?

Mr. Ostroff: Yes.

A. On the first page?

[fol. 296] Mr. Ostroff: On the first page of document No. 3, after the description in the first paragraph, and beginning with the paragraph where it says "Attorney Emilio Canseco Noriega", in the second paragraph there. Now, what is the translation of the words "primer secretario"?

A. If you take the words simply literally, of course the word "primer" means first, and the word "secretario" is secretary.

Q. What is the legal significance?

A. But, obviously, I probably have used in my translation—I haven't got it in front of me right now but I probably used the word "clerk", because that, in my judgment has the corresponding function.

Q. That is the correct function and the correct name, is that right?

A. That is my understanding of it; so far as you can get to some of the totally different systems of law and get the terminology of one to fit exactly in the other; it is not often easy to put a square peg in a round hole.

Q. So, in common usage, the word "clerk" is the proper word?

A. That is my opinion.

Q. Now, I call your attention to the translation of some of the words which appear in document marked Defendant's Exhibit No. 4, and I will ask you to read your translation of those words there in the same location on that instrument.

A. "Secretary of the First District Court."

Q. Well, why do you vary between the two terms in these documents?

A. I think that you might use one in one sense; perhaps at that time I used it in a more literal sense, and just followed the Spanish terminology.

[fol. 297] Q. The question that I am asking you, Mr. Branch, is why in the translation of legal documents, which you were advised would be presented in a Court of justice, you did not stick to a single term?

A. Because it is not always possible to stick to a single term in translating.

Q. What causes the variance between "Clerk" and "First Secretary" in these two documents; was there any reason for changing?

A. None particularly.

Q. Now, on that same document, Mr. Branch, that you have before you, on that front page, after the word "Recibida", you have in capital letters the word "Decima".

A. Yes, sir, I have it.

Q. You have it?

A. Yes, sir.

Q. How did you translate that word; how did you translate that?

A. "Decima"—ten.

Q. Decima is ten. Does it have any legal significance in this document?

A. I can find none, no particular one.

Q. What about the word meaning ten words or lines of legal phraseology?

A. I have never heard of such an opinion being advanced.

Q. Have you ever heard of the term "decima" with relation to a Spanish document, sometimes translated in the law——

Mr. Barrett: Your Honor, this method of cross examination, it seems to me has already gone far afield as proper cross examination; I don't know what Counsel intends to convey by this, but we want to object to it as being unnecessarily taking up the time of this Court, and irrelevant and [fol. 298] immaterial to the qualifications of the witness which the Court has already passed upon. As far as the correctness of the instrument is concerned, it is correctly translated, and it speaks for whatever it means.

Mr. Ostroff: If the Court please, I am not questioning the correctness of the instrument. The instrument speaks for itself; that is true. However, even if Your Honor were the most expert Spanish student in the country, if this case goes up on review, we cannot presume that the judges who read this case know any Spanish, and we have no right to presume that, and that is the purpose for having it translated, and have a duly authenticated translated document, and for the purpose of pointing out these little shades of meaning, that may mean something, we have to ask these questions.

The Court: Well, what change in the meaning of this document No. 3 would the use of the word "decima", as used in this translation, make in the meaning of the instrument?

Mr. Ostroff: The word "decima" will not make any change in the meaning of the instrument, except as it will reflect on whether or not we are talking about a ten-line instrument of description, or whether we are talking about a word that has absolutely no meaning at all, or whether we

have the word in the Mexican legal tradition, such as our "witnesseth"—in many documents we find the word "witnesseth", and it has been there from time immemorial.

[fol. 299] The Court: Will that change the meaning of the instrument?

Mr. Ostroff: It will not change the meaning of the instrument.

The Court: Then, why go into it?

Mr. Ostroff: The reason that we went into it is merely so that——

The Court: Rise when addressing the Court, Counsel. Stand on your feet while addressing the Court.

Mr. Ostroff: I am sorry. The reason I went into that was so that we can point out whether or not it has any legal significance which might be read into the instrument. I don't know what the effect of the word "decima" is, and I am having my Spanish legal expert here this afternoon.

The Court: Well, anything that is material is all right, but I don't want to stay here all the week and indulge in talking about little trivial things at all.

Mr. Ostroff: All right, sir; we will go on to another word then.

By Mr. Ostroff:

Q. In this document, Mr. Branch, the word "amparo" appears. Mr. Barrett made a point by having you define the word "amparo" the other day. What is the definition of the word "amparo"?

[fol. 300] Amparo is an extraordinary writ, peculiar almost to Mexico, which is designed as a remedy for the violation of any Constitutional guarantee as to rights of property or person, rights of person or property.

Q. Would you compare it to the common law writ of assistance?

A. It is extremely difficult, and so far as I know, no one could take a single one of our ordinary Anglo-Saxon terms and say "this is the equivalent of the Spanish term "amparo," and in the opinion of your humble servant, there is no such exact equivalent.

Q. Does it have the uses of the writ of certiorari in the Anglo-Saxon law?

A. In parts, I would say yes; in certain aspects, yes.

Q. It has the nature of a petition for review, also, hasn't it?

A. When a Constitutional guarantee is violated, yes, but not otherwise. It is fundamental that there must be a violation of one of the guarantees granted by the Constitution.

Q. I should like to show you this dictionary, by Professor Laske, who was professor of Spanish language and literature at Columbia University, and I will ask you to be good enough to read the definition of the word "amparo" as it appears therein and say whether it encompasses what you have just testified.

A. In my opinion, this definition here is the definition of the word amparo in its ordinary general sense, but not when it gets into the legal contemplation of the term, particularly as used in Mexican jurisprudence.

Q. How would you translate "amparo" as it appears in that document?

A. Just exactly as I have already translated it.

Q. And how was that?

[fol. 301] If you will let me see the document, I would be glad to tell you. I do not always translate the word in exactly the same way.

Q. Well, let's hear how you would translate it this morning, before you see the document, and then I will show it to you. I should like to have your off-of-the-cuff——

Mr. Barrett: What page?

A. I have already indicated to you what amparo is. Will you tell me just exactly where it is?

Mr. Ostroff: I will be glad to point it out.

Mr. Barrett: What page?

Mr. Ostroff: On the first page; it appears on the first page of the translation, down about the middle of the page. It says, "Que en lel juicio de amparo numero." How would you translate that?

A. That is a suit for an injunction, and if I were translating it orally, I would probably use the word injunction in order to convey some sort of corresponding connotation to a person who was versed only in that.

Q. Well, how would you translate the word "injunction" back into Spanish?

A. Probably "amparo" if I had to use it, although I am not here to say to you that I am going to take the one word and necessarily translate it by that one term always.

Q. How would you translate the word "mandato"?

[fol. 302] That is an agency or order; it depends upon the sense in which the term is used.

Q. In Mexican jurisprudence, isn't "mandato" an injunction?

A. Mandato, yes, sir; it depends upon in what sense the term is used. Mandato maybe—usually mandato is an agency, usually, but it is a little difficult out of the whole context to pull one word and then to ask me whether that particular word has——

Mr. Barrett: If the Court please, if Counsel is going to put on his dictionary here, why, we will be here for a month.

The Court: I am inclined to think that you are going into, on your cross examination, inconsequential detail.

Mr. Ostroff: If Your Honor please, one of the defenses in this case is that of res adjudicata.

The Court: What?

Mr. Ostroff: Res adjudicata. In res adjudicata, there are certain principles that must be proven; it must be in the same action, and between the same parties. Now, we are going to show that all of these documents merely show administrative proceeding, and no equitable proceedings whatever, and that injunction is not implied in these proceedings, and the whole case hinges on amparo, and Mr. Barrett went to the trouble of having his witness to say, when he introduced these documents in evidence, that he wanted him [fol. 303] to just define that one word out of all of this legal mass here, so that that is the crux of this case, and I am going to have to ask Your Honor to please allow me latitude in cross examining as to that word "amparo".

The Court: That depends upon how much latitude you want. If it is with reference to material matters, the Court will allow you all reasonable latitude, but you have taken up about one hour here, and it appears to me that practically all of this time has gone into matters that are immaterial.

Mr. Ostroff: I would respectfully say to Your Honor——

The Court: We are going to recess for fifteen minutes, and I would like for you gentlemen representing the Plain

tiff to get together and see if you cannot shorten this cross examination. We will recess for fifteen minutes.

(Whereupon a short recess was had.)

Mr. Ostroff: Q. Now, Mr. Branch, before recess, I was asking you about the word "amparo", and in the document you translated it as a suit for injunction, and you also stated that it variously can be translated. Now, what are the other translations of the word "amparo" in the law?

A. I would generally use the term injunction, unless there were any particular reasons in the particular instrument for the use of any other word.

Q. Would you say that it was the writ to shelter, or to aid or to protect?

A. That is what the term in its ordinary every day [fol. 304] In a legal sense, isn't it organically a procedure to *heiu* a citizen of pain and preservation of his constitutional rights before an administrative officer? Isn't that what the term connotes in the Law of Mexico?

A. I have already told you what I consider "amparo" covers, and that is substantially what it does cover. It covers the violation of any personal or property right as guaranteed by the Constitution.

Q. Before an administrative officer?

A. Before an administrative officer?

Q. Yes.

A. Well, what do you mean by that?

Q. Well, for example, in this particular document, will you tell us against whom this amparo was requested from the instrument which you have before you? Is that before an administrative officer? I direct Your Honor's attention to the translation at the third paragraph——

The Court: On the first page?

Mr. Ostroff: On the first page, the third paragraph, Sir, in the translation there. The witness has the Spanish before him.

A. Yes, I have it. "In the suit for injunction No. 2025, instituted by the Bulova Watch Company of New York against the Acts of the Secretariat of National Economy and other Authorities, the following pleadings appear."

Q. All right; now this amparo was brought against an administrative officer, is that right?

A. Yes, against Acts of the Department of National Economy.

Q. So, whether you translate it as the writ of assistance, or as a writ of certiorari, or the writ for help or protection, [fol. 305] or even an injunction, it is brought by the Bulova Watch Company against the Acts of the Secretariat of the National Economy, is that right, Sir?

A. Yes, sir; that is what the document says.

Q. Now, I would like to show you Defendant's Exhibit No. 17.

The Court: Is there any objection to Defendant's Exhibit No. 3?

Mr. Ostroff: I am not yet through with Defendant's Exhibit No. 3; I am going to compare his translation in another document on the same verbiage, if I may, that is, in document No. 17, and I am going to ask Your Honor to look at document No. 17, page 6 of the translation, III. Mr. Branch, I direct your attention to page 4 of the Spanish document, and will ask you to read this in Spanish to yourself, and to translate the words, "no ampara niprotege".

The Court: What page is that on?

Mr. Ostroff: That is on page 6 of the translation, III, down at the bottom of the page. Mr. Branch, will you please translate paragraph III?

A. III: "In due time to resolve that the Justice of the Union does not grant injunction nor protect the complainant against the Acts complained of."

Q. Now, I will ask you to read the translation as you approved it, for the purpose of introduction in evidence here. Please read the third paragraph.

[fol. 306] A. "In due time to resolve that the Justice of the Union does not shelter nor protect complaintant against the complained Acts."

Q. Now, the word "shelter" is a translation of the word "amparo", is that right?

A. Well, yes; as I said before, the ordinary and general or ordinary common usage of the term. To be honest with you, I see no difference, of any substantial nature whatsoever between what I just said here, and what I wrote there.

Q. I agree with you, Mr. Branch. The word "shelter" can be used interchangeably with the word "amparo", for "protection"; that is the point I am trying to get over. You agree with me, too, Sir?

A. I haven't anything further to add.

Q. Now, getting back to document, Defendant's Exhibit No. 3, on page 3, and on the back of page 3, I believe it is. On the back of page 3, and in the translation, I call Your Honor's attention to page 5 of the translation, near the top of the page, in Exhibit D-3, at the top of page 5, and I am directing the witness Branch to some Spanish, and will ask him to translate it, "Prostesto lo necesario". I will ask you to please translate those words.

A. "Prostestó lo necesario" is simply a form used at the end. "I protest".

Q. It does not mean, "To all of which I solemnly affirm"? Similar to the closing prayers in our pleadings, which are "and he will ever pray", etc.?

A. Not necessarily as far as that. "Prostesto" is, of course, to swear.

Q. In legal parlance, under Mexican law, isn't it to make a solemn declaration for the purpose of the preservation of one's rights?

A. In my opinion it does not go as far as that. It is a question of opinion, perhaps.

[fol. 307] Mr. Ostroff: Now, if the Court please, we object to the introduction of this document, or the translation, this document that is offered as Defendant's Exhibit No. 3——

The Court: What are the reasons for your objection?

Mr. Ostroff: Yes, I am going to state them: Because this document shows on its face that it is an action by the Plaintiff in this action against an administrative officer of the Republic of Mexico, and not the Defendant here, so, it is not between the same parties to this suit, and for that reason it is not relevant.

The Court: Is that all?

Mr. Ostroff: That is all.

The Court: Overruled. It is admitted in evidence.

Mr. Ostroff: Q. What is the definition of the word "rubica", Mr. Branch?

A. "Rubica" is the signature or the scroll that is attached.

Q. Or a flourish?

A. Any scroll that is put across the signature. It is very often taken to mean also the signature, in a rough general sense. Literally it is the scroll of the signature.

Q. Now, with respect to document No. 4—

[fol. 308] The Court: Sir?

Mr. Ostroff: With reference to document No. 4, I direct Your Honor's attention to page 3 of the translation, at the end of paragraph III; it says there, "I exhibit a copy of said number". The copy which appears in the original proceedings is not attached to this copy here, either in the Spanish nor in the translation, and we want to object to the introduction of document No. 4, for that reason, among others, and we also want to object to the use of the word—first, Sir, I imagine you should rule on whether or not you admit this document because of that. There is an exhibit that is not attached to the document, or to the translation. The translation says, "I exhibit copy of said number", and the copy is not attached to this, and we object to it for that reason.

The Court: Is that exhibit in evidence otherwise?

Mr. Barrett: Yes, sir, it is Exhibit No. 2.

The Court: Then that will be overruled.

Mr. Ostroff: Which exhibit is that?

Mr. Barrett: Exhibit No. 2; the certificate showing the registration referred to in that article number.

[fol. 309] Mr. Ostroff: Now, in this same Exhibit D-4, we would like to point out the use of word "amparo" again, which is improperly translated, as we contend, and we would like to note our objection to the translation of that word as it appears in the translation, which is marked D-4-T.

The Court: That will be overruled. D-4-T is admitted in evidence. Now, what objection do you have to D-5?

Mr. Ostroff: In D-5, Sir, we object to the translation of the word "amparo" as injunction, because we contend that it does not mean injunction; that it merely is a suit to protect a right as testified to by this witness.

The Court: Is that all?

Mr. Ostroff: That is the only objection to that.

The Court: That will be overruled, and it is admitted in evidence. Now, what objection do you have to D-6?

Mr. Ostroff: In D-6, Sir, we object to the translation of the word "amparo" as it appears in the instrument, in the introductory paragraph, and we call the Court's attention to the use of the world "amparado" on page 5 of the translation, where the translator himself has used the word "covered" as the translation of the word, and we also object to the translation of the word "clise" on page 6 of the translation——

A. May I ask what word that is?

[fol. 310] Mr. Ostroff: "Clise".

The Court: Anything further?

Mr. Ostroff Yes, sir.

The Court: What is your further objection?

Mr. Ostroff: I am trying to locate them. I have them all down, and I am trying to see whether or not I want to burden the Court with it. Those are the only objections to No. 6 that we will press.

The Court: Objections overruled. No. 6 is admitted in evidence.

Mr. Ostroff: I would like for Your Honor to note in all of these documents we are entering an objection to their admission, because they are not between the same parties as the parties to this suit. I would like that objection to cover all of these offers.

The Court: That will be overruled.

Mr. Ostroff: Grant us an exception.

[fol. 311] The Court: Now, what is your objection to D-7?

Mr. Ostroff: We renew our objection, because it is not between the same parties, and we renew our objection to the word "amparo" in the first paragraph.

The Court: 7-D will be admitted in evidence; objections overruled. Now, what is your objection to D-8?

Mr. Ostroff: On D-7, if I may go back to that, I would like to object to page 6 of the translation, and call Your Honor's attention to the fact that the translation, and also the original, it goes from paragraph I to V——

The Court: Are you talking about 7-D?

Mr. Ostroff: Yes, 7-D.

The Court: I have already overruled your objection. Proceed.

Mr. Putman: Did I understand the Court to say 17?

Mr. Ostroff: No, 7-D.

The Court: D-7-T is the number of the exhibit that I have just admitted in evidence.

[fol. 312] Mr. Ostroff: Now, in the original of D-7——

The Court: Proceed to D-8. I have already admitted 7-D in evidence.

Mr. Ostroff: Will you grant me an exception, please, Sir? There are some grave errors in 7-D.

To D-8, we object to the word "amparo" in the beginning of it, and we also call the Court's attention to a charge in numbers here—I don't know whether it is a clerical error in the exhibit, or whether there is a different number, but in this one, the number changes from 2025/46 to 2015/46, and we question the accuracy of that, Sir, although it is certified by the Clerk as 2015/46, and from here on in the documents they have a new number, not the original number in which the suit was docketed, and we call Your Honor's attention to that, and I would now like to ask Mr. Branch to look at page 1, and ask him what the original Spanish in that page 1 is supposed to signify, and I want to call the Court's attention to the errors appearing in the Spanish only; it seems in the translation they have corrected them. On page 1 of the translation, Sir, I want Mr. Branch to read to Your Honor this, beginning with the word "complaintant", which appears in capital letters, just a short distance down the first page, and I will ask him to translate that paragraph beginning with the words "George Kessel". I cannot understand the Spanish. It does not agree—at least, in my opinion, it does not agree with what appears in the translation, and I would like Mr. Branch to translate it. I think that if is merely a formal defect that can be corrected by his testimony.

[fol. 313] The Court: Beginning with the word "minute"?

Mr. Ostroff: Yes, "complaintant, George Kessel."

A. "George Kessel, domiciled in Article 123, apartment No. 2——"

Q. Is that "Article 123" an address?

A. That is an address. That is the name of a street.

Q. All right; that is what I want to know.

A. It is a street in Mexico, and it is called "Article 123".

Q. That was obscure to me, and I wanted that cleared up.

A. Yes, sir; it is the number of a street.

Q. Thank you very much. Now, on page 2 the word "amparo" appears translated as injunction. In paragraph 1, near the top of the page, it appears there twice, and in order to explain the translation, Mr. Branch, Your Honor, he has inserted in parenthesis the word "amparo" to explain what he means by injunction. I call that to the Court's attention.

On page 3 he has also translated the word "amparo", near the bottom of the page as "injunction", and we take exception to that.

On page 4 of that document, he has translated the word "antigua" as it appears in the translation, and I should like to have him read the word as it appears in the original Spanish text, and to translate it for the Court, so that I can question him about the translation. If you will indulge me a moment, I will try to find it in Spanish (exhibiting paper to the witness), Mr. Branch. Mr. Branch, do you mind helping us by translating those words there, which I am indicating by pointing to them, and if Your Honor please, it is the end of the eighth line of the trans-
[fol. 314] lation on page 4; that is the part that I am asking him to translate again for us. Please translate those words that I indicated.

A. "And the former law of trade-marks and its regulations."

Q. Now, "antigua" means ancient and old, doesn't it?

A. Yes, in one sense.

Q. Does it have another sense in the law, Mr. Branch?

A. I don't see any particular legal connotation.

Q. But you have freely translated it "former"; is that right?

A. That is the way that I would say; I don't recall what was the language that I used.

Q. That is the language that you used?

A. That is the language that I used.

Mr. Ostroff: Now, we take exception, and we object to the translation of the word "amparo" on page 6 of the translation, and on page 4 of the original document, and under I on page 6 the word "injunction" again appears as the translation for the word "amparo", and we take exception to that, and we take exception to Mr. Branch's translation under II of the words, the Spanish words, "Ley de Amparo", as the law of injunction, and we point out to the Court, we want him to explain what he means by the law of injunction, which he himself has found it necessary to parenthetically insert the Spanish words, so that anyone looking at it will see what he means, because it is not the common translation. And in paragraph III on the same page, page 6 of the translation, and page 4 of the original, we take exception to his translation of the words, "concederme el amparo y procedencia," and we point out that it should have been translated, "the aid and protection afforded him by law."

[fol. 315] And we take exception to his translation of the word "procedencia", which he has translated "legal effects", and in order to make sure that the Court will understand what he means by legal effects, he relates it to the word "procedencia" in parenthesis.

And we renew the objection to the introduction of this document because it is not between the same parties nor is it on the same subject matter as this suit, and has no relevancy or bearing, and we object to the introduction of D-8 and the translation thereof.

The Court: The instrument marked D-8 is admitted in evidence, and the objections are overruled. Now, the objections to No. 9.

Mr. Ostroff: Grant us an exception, Sir. Now, in D-9, we call the Court's attention to the same error, in the figure 2015/46 instead of 2025/46. We do not know whose error that is, but we call the Court's attention to it. And in D-9, we take exception to the use of the word "amparo" as "injunction" in the preamble of the document, and we call the Court's attention to the duplication of the error in the body of the document as 2015/46, when it should be 2025/46, and on page 1, in the body of this document again, the

translation of the word "amparo" again appears, and we take exception to that translation.

On page 3 of the translation near the bottom of the page, the words "ley de amparo" have again been translated as the law of injunction, and we take exception to that translation, and ask the Court to take into consideration the fact that that term has been loosely used.

[fol. 316] On page 4 of the translation, we call the Court's attention to the fact that the translation of the word has been made "covers" as it appears in the fifth line, near the end of the line; that word is used and translated as "covers." On page 4 under I—will Your Honor indulge me a second?

The Court: Overruled. Exhibit 9-D is admitted in evidence.

Mr. Ostroff: Will Your Honor note an exception for me, and I want to ask Counsel about one of these things that was written here, and Your Honor passed on. Will Your Honor grant me an exception to the ruling, because I want to ask Counsel about one of the things written here, and then make——

The Court: You mean to this Exhibit?

Mr. Ostroff: The one Your Honor just ruled on.

The Court: I thought that you said that that was all of your exceptions?

Mr. Ostroff: No, I did not; I am sorry.

The Court: All right, go ahead, and ask him.

[fol. 317] Mr. Ostroff: Now, on page 5 of the translation of D-9, on the back of page 3 in the original document, I want to ask Mr. Branch to read and translate the paragraph which I have indicated to him, which is the first two lines, and I wish to call the Court's attention to the translation of it again. It is the paragraph beginning with the words "in rendering" on page 5 of Exhibit D-9-T. Can I help, Your Honor? We are now talking about page 5, and the paragraph beginning with the words "in rendering" on page 5 of Exhibit D-9-T. I will ask Mr. Branch to translate that paragraph, about the middle of the page. Now, Mr. Branch, do you mind, please?

A. You ask for the first two lines?

Q. The first two lines.

A. "In rendering this ruling, it was stated with regard to the first action brought by the Bulova Watch Company, Inc.——"

Q. All right; that is enough, Mr. Branch. I would like to call to the Court's attention the fact that the translator has supplied a proper person as one who stated it, and we ask an exception to the translation, the proper person applying to the Secretariat instead of "it". There is no word for the Secretariat in the original Spanish.

The Court: I don't understand that objection. You were not speaking loud enough for me to hear.

Mr. Ostroff: I will repeat it, Sir.

The Court: Is it addressed to page 9?

[fol. 318] Mr. Ostroff: To page 5, the document designated as D-9-T is before Your Honor, and the original document is marked D-9, and with reference to the paragraph beginning with the words "in rendering", the witness has just translated it, but he didn't use the word "Secretariat", because it doesn't appear in the original, but in the translation, he has supplied the word "Secretariat" which indicates that it is not an accurate translation, and I call the Court's attention to that fact.

The Court: Is the word "Secretariat" in the original, Mr. Branch?

A. No, sir; as he handed it to me, it is not, Sir.

Mr. Ostroff: It is not. I think it took a translator's liberty to supply a word that was implied.

Mr. Barrett: It was an implication, Your Honor.

Mr. Ostroff: It was an implication.

The Court: Is that your explanation?

A. Yes, sir.

The Court: Is there any further objection to Exhibit D-9-T?

[fol. 319] Yes, sir; on page 6 of the translation and on page 4 of the original, I call the Court's attention to the word "amparo", that it is again used, and this time it is translated "cover".

Mr. Barrett: Whereabouts?

Mr. Ostroff: If Your Honor will look at page 6, the paragraph beginning with the words "The ruling", which is the beginning of the paragraph, and in the seventh line, and the second word there, in that paragraph beginning with the words "The ruling", the word is "objects". I am going to ask Mr. Branch to translate the word——

Mr. Barrett: That refers to an entirely different thing. It refers to objects covered by the trade-mark.

Mr. Ostroff: I think in fairness, on page 6 of the translation, the words can only appear—at first I couldn't find the translation of the Spanish word which appears here, but I think that it was a misspelling, and it appears here as "inicamente", and it probably should be "puede unicamente"; that would be "can only"; is that right, Mr. Branch?

A. That is right.

Q. Your Honor, then we will withdraw that.

Now, on page 7 of the translation, at the paragraph beginning with the words, "The Bulova Watch Company, Inc., sought an injunction," the word "injunction" appears [fol. 320] in the translation and in the Spanish it appears as "amparo", and also in the last line of the same paragraph we find the word "injunction" in the translation, and we take exception to the translation of the word "amparo" as the word "injunction".

Now, on page 11 of the same document, and in the middle of the page, and on the back of page 7 of the original exhibit, we find the word "amparo" again, and it is there translated as the word "injunction".

Now, I would like to ask Your Honor some guidance on some procedure on another point here. This is not the witness to question about some of the statements that are made in these documents. For instance, in this document that we are reading now, right about the location where we are now, a statement is made by the Defendant in this suit, which is sort of contradictory to what appears in this general suit, and I imagine Your Honor will afford me the opportunity to recall him for cross examination as to the statements that are contained here at the proper time.

The Court: All right.

Mr. Ostroff: Thank you, Sir. Now, Mr. Branch, on page 11, and on the back of page 7 of this original document, we find the words, "mi poderdante", and if it is not fair to you to ask you to translate it without the context, I will bring the document to you, but I think that it is a simple matter; will you translate the words "mi poderdante"?

A. A person who grants the power, the principal.

Q. Now, on page 12 of the translation—I withdraw that, because that is probably cross examination that I should not burden this witness with that.

[fol. 321] On page 14 of the translation, and at the back of page 9, I want to ask the witness to translate the words "en efecto". Do they have any legal effect normally?

A. None that I particularly know of.

Q. In this document—we didn't mark the original documents here, so I have a little difficulty sometimes in finding a word; the word that I am seeking is the beginning of the sentence on the second line; what would be the colloquial translation of the words "en efecto"?

A. I would say "in effect" in some.

Q. In effect?

A. In some.

Q. Well, you have translated it here—so that we don't lose time, you have translated it "indeed"?

A. I think that that is sufficiently close.

Q. Now, on page 15 of the translation and on the back of page 10 of this document, Sir, we take exception to the translation of the word "amparo" which is used twice on that page.

Mr. Matthews: May I suggest this, Your Honor, since he objects to the translation of "amparo" in every instance and the Court has ruled on it so repeatedly, we will stipulate that he may have an exception, based on all of the translations, however the word "amparo" is translated, for the purpose of the Record, and that will shorten the necessity of taking up the time.

The Court: All right. I think that that is a good suggestion.

Mr. Ostroff: I would like to——

[fol. 322] The Court: I will grant that exception.

Mr. Ostroff: All right, Sir. Do I understand that it won't be necessary—wouldn't it be better to read into the Record the points at which this word "amparo" appears, and I can just mention page so-and-so?

The Court: No, but wherever it appears in the translation.

Mr. Ostroff: Without repeating it?

The Court: You may have an exception.

Mr. Ostroff: So, we don't have to object to it again?

Mr. Matthews: You will have an exception to the translation as to each use of the word "amparo", and you will be fully protected in the Record, and not conceding that it means anything that the translator says that it does.

Mr. Ostroff: That will be satisfactory.

The Court: Now, are you through with exceptions to Exhibit D-9?

Mr. Ostroff: Yes.

[fol. 323] The Court: Then, that is admitted, and the objections are overruled. Now, the next that I have here is Exhibit 10.

Mr. Ostroff: Exhibit D-10. In that connection, we again point out the difference in the figures 2015/46, and in the early exhibits it was 2025/46.

Mr. Putman: I was wondering if perhaps the attorneys for the Defendant will likewise stipulate as to the variance in the numbers from this point on, and also stipulate that we will object to the introduction of any of the instruments, inasmuch as they contain different issues from those involved, and were between different parties, and that will shorten down the objections from us.

The Court: I will permit a full bill on each one of those.

Mr. Ostroff: Thank you.

Mr. Putman: And we won't have to renew our objections to those.

The Court: As to each of the exhibits from now on.

Mr. Ostroff: All right.

The Court: Is that all? Exhibit 10-D will be admitted.

[fol. 324] Mr. Ostroff: I am sorry; I didn't understand your question. I have some further exceptions.

The Court: Well, go ahead. You resumed your seat as though you were through.

Mr. Ostroff: I want to compliment the translator in pointing out the obvious error on page 3 of the translation. There is a translator's note in there for the help of the Court and it is very well taken too.

Now, on page 4 of the translation, the numbers appear as simple numbers, but they have been translated "secondly, third-y, fourthly, and fifthly," instead of just using the numbers. That is not serious, but I want to point that out to the Court.

Now, on page 4, paragraphs 5, I am sorry; that is covered by the stipulation.

Now, on page 4, paragraph 5, I am sorry; that is covered Defendant's Exhibit No. 10, and on page 4 of the original, I want to ask Mr. Branch to translate the rest of the words, "no pueden llevar a la conclusion". I am indicating these words, Mr. Branch, here. Would you be good enough to translate those for us?

A. "That they cannot carry to the conclusion."

Q. I beg your pardon?

A. That they cannot carry to the conclusion.

Q. Now, in the translation, they appear on page 6, in line 6, at the top of page 6, they appear translated as "they were not true."

[fol. 325] Mr. Barrett: If the Court please, that is the wrong reference. That is an entirely different Spanish phrase that he is referring to there.

Mr. Ostroff: I don't like the inference from that, Mr. Barrett, and I would like for you to point out where it is the wrong phrase.

Mr. Barrett: What did you ask him?

Mr. Ostroff: "No pueden llevar a la conclusion".

Mr. Barrett: Oh, yes; that is right, "no pueden llevar a la conclusion".

Mr. Ostroff: Now, all right. Now we pass on to—the rest of the objections are covered by the stipulation, Sir.

The Court: All right; overruled. Exhibit 10-D is admitted in evidence.

Mr. Ostroff: I assume, Sir, that you are noting an exception for me to all of these rulings?

The Court: They are all overruled.

[fol. 326] Mr. Ostroff: I am sorry, but I was asking about those past objections to Exhibit No. 10. You admitted that in evidence and I asked Your Honor whether or not you are granting me an exception to all of the rulings. That is what I asked.

The Court: You mean a full bill that I told you that I would give you as to each one, that will apply to each one.

Mr. Ostroff: Yes, sir. Now, on D-11 I want to ask Mr. Branch to translate from the original document the words, "Vistos resultando", which apparently are legal colloquialisms; they apear in capital letters in the middle of page 6 of the Exhibit which is before Your Honor. Mr. Branch, translate those, please.

A. The terms are legal terms. "Vistos" means having seen the records and having examined them, and the word "resultando" was the statement of the law. From the pleadings, "the law resulting as follows."

Q. The law resulting as follows. I call the Court's attention to the fact that those words in the translation appear as "statement of facts".

Mr. Barrett: What about the second one "resultando"? Do you want to call the Court's attention also to the second "resultando" as a statement of law?

Mr. Ostroff: Yes.

Mr. Barrett: All right.

[fol. 327] Mr. Ostroff: I think I covered that by calling the Court's attention to the capital letters there, covering both of those inconsistencies.

Mr. Barrett: Well, we object to that statement, because there is no inconsistency at all in the translation. It was put in such form——

The Court: Well, that is Counsel's statement, and that is not evidence. Go ahead.

Mr. Ostroff: I would like Mr. Branch to tell us the legal significance of the caption, which appears on page 2 of the translation, page 2 of the Exhibit, and ask him to state what this means legally, "considerando". It is at the bottom of page 2 as a caption, Sir.

A. "Considerando" is a statement of facts, and "resultando" is a statement of law.

Q. Now, on page 4 of the translation, and on page 3 of the Exhibit, in the original Spanish, we find the word "primordial". It appears in the translation in the 6th line from the bottom, towards the end of the line, Sir, and in here it is the fourth line from the bottom, in the Spanish, and I will ask Mr. Branch to read the words "primordial e immediato", and translate for us what those words signify.

A. "Because they tend firstly and immediately."

Q. All right.

A. Or "in the first instance and mainly and immediately".

[fol. 328] Q. All right. They summarize the only other objections in addition to those stipulated on.

The Court: I overrule the objections; Exhibit D-11 is admitted in evidence. Now, what about Exhibit 12-D?

Mr. Ostroff: On page 1 of Exhibit D-12, there appears the word "litis" at the bottom of the page. I will ask Mr. Branch to translate that word, which appears in quotation marks at the bottom of the page.

A. "Litis" is a Spanish term for "controversy".

Q. Controversy?

A. Or "issue".

Q. I ask you that because it doesn't appear to be translated in the translation, Sir.

Now on page 2 of the translation on the back of page 1 of the original manuscript, there appears a blank space for a word which is not translated. There appears a blank space for a word that is not translated in the translation, and I am going to ask Mr. Branch to translate the entire paragraph, so that we can pick up the word where it belongs. I think the word that is not translated, is the word "implica"; however to get its full sense, you ought to translate about five lines, or up to the period in that sentence.

A. "In effect, in the sentence decreed in the injunction, ampara, it is stated that the producing of false data in a petition for registration implies nullity of such registration."

Q. Thank you.

Mr. Barrett: We would like to insert the word "implies" in that. That is apparently a typographical error.

[fol. 329] The Court: All right. Permission will be granted.

Mr. Ostroff: Now, on page 3 of the translation of Exhibit D-12, at the bottom of the page, the word "litis" again appears, and it should have been translated "controversy", but it is untranslated.

Again on page 4, the word "litis" appears, and that should have been translated "controversy", is that right?

A. Yes.

Mr. Ostroff: Now, on page 6 again, "protesto lo necesario", we complain about the translation of that formal legal phrase.

Those are the only objections to Exhibit D-12, in addition to those already stipulated.

The Court: All right. Overruled. The instrument marked Defendant's Exhibit 12 is admitted in evidence. Now, what about D-13; what is the objection to that?

Mr. Ostroff: Now, on page 1 of Exhibit D-13 are the words "recurso de revision". Will you translate those words for us, please?

A. "In the course of review", or "right of appeal".

Q. The dictionary says, "appeal to a higher Court". Would that be a correct translation?

A. I would say so.

Q. Now, the Spanish words are inserted at the bottom of page 1, Sir, as an explanation of the translation which does appear.

[fol. 330] Now, on page 5 of the translation, page 3 of the original document, the word "litis" again appears untranslated, and it seems to connote a suit or controversy there again. In some of these places where the word "amparo" appears, which we agreed, and stipulated on, sometimes it is modified by other Spanish words. I assume that the stipulation covers the context, including those Spanish words, and the use of it as "injunction"; is that right?

Mr. Matthews: My conception is, that it gives you an exception to the translator's rendition of the word "amparo", and that you have an objection to his rendition in every respect.

The Court: I have already said that, as I understood it.

Mr. Ostroff: Yes, because in some instances it is modified by various terms in Spanish. If it includes the words pertaining to the word "amparo", I imagine that we are satisfied with that.

The Court: I don't know about that. As to the Spanish, I cannot very well pass on that.

Mr. Matthews: Well, I don't know anything to say in reply.

The Court: Sir?

Mr. Matthews: I say, I don't know anything to say in reply, because I really don't understand what Counsel is talking about.

[fol. 331] The Court: I don't either.

Mr. Ostroff: Well, I can give a couple of examples. I passed all of these questions about the use of the word "amparo" here, because I assumed that they were covered by the stipulation. For example, in one of these places I have written "el amparo", in which the language would be translated slightly differently. It is our theory that it is something merely to help a man.

The Court: Well, what I have done is to give you an exception to the translation as used by Mr. Branch of the term "amparo".

Mr. Matthews: Your Honor, I would say that we stipulate that it includes words used in the context that would modify the word "amparo".

Mr. Ostroff: That is all I want. I just wanted to make sure, because I want to be careful if I can.

I want to call the Court's attention to the bottom of page 4 of Exhibit D-13; that is the original in Spanish, down at the bottom, and in the translation it appears at page 7 under the dotted line which separates the two documents which appear in the exhibit. File 9071/48 is written there, and in the beginning of this instrument it is file 9071/47, and I want to call the Court's attention to the difference in those numbers, and on page 7 of the translation, and on the back of page 4-½—page 7 of the translation, and on the back of page 4-½ in the Spanish, at the bottom of [fol. 332] the page, is the word "primordial", which again appears untranslated. I beg your pardon; it is on page 8

of the translation, about one-third of the way down, line 10, and in the middle of the line. I am going to ask Mr. Branch to be good enough to translate it and its meaning on this page.

A. It is exactly the same thing.

The Court: Speak out.

A. It is exactly the same as in the former occasion. "Inasmuch as in the first instance, and immediately in a preferential and mainly."

The Court: Gentlemen, the Court will recess until 2 o'clock P. M.

(Whereupon, at 12 o'clock noon, April 20, 1950, a recess was taken until 2 o'clock P. M., same date.)

2 o'clock P. M. April 20, 1950.

(Court met pursuant to the noon recess.)

The Court: Gentlemen, I believe that we have D-13 for consideration.

Mr. Ostroff: Yes.

[fol. 333] HILARION BRANCH, having been previously sworn, resumed the stand for further cross examination by Mr. Ostroff, and further testified as follows:

Mr. Ostroff: This is Defendant's Exhibit D-13, and we had reached the point, I believe, Mr. Branch, where I had asked you to look at page 10 of the translation and page 6 of the Spanish document, at the words "nombre propio" which are used in the Spanish document.

A. On what page?

Mr. Ostroff: On page 10 of the translation, and the translation of it appears at the end of the line, the twentieth line, and I would like to ask you, Mr. Branch, to take those two words in the context, and be good enough to translate, beginning with the word "registro", so as to get a definition of the words "nombre propio" in their proper context and meaning, please.

A. "Proper name".

Q. Could it not also mean a name belonging to somebody, a personal name, or a person's name?

A. You mean by that a surname or a personal name?

Q. Yes.

A. Are you talking about a surname?

Q. A proper name; for instance, it would be my name that they are talking about in this document.

A. Yes, but I would like to know whether you are distinguishing between the name and the surname. Have you in mind the surname or have you in mind the name; for example, my surname is Branch, and my own name is Hilarion.

[fol. 334] Q. Well, suppose that we include both of them, so that there will be no question about it.

A. In my judgment, there is a separate word, in Spanish, for a surname, which is "apellido".

Q. And how about a personal name?

The Court: Let me ask you gentlemen a question at this time. You have withdrawn your announcement of resting. Now, will there be any other proof that you will submit other than the question as to the amount of damages that you have alluded to, any other factual evidence at all?

Mr. Ostroff: None except in rebuttal, if that occasion arises, Sir.

The Court: All right.

Mr. Ostroff: We expect to put an expert on to testify as to the word "amparo".

The Court: I understand that, but the reason that I asked that question is this: I have reached the conclusion that I don't have jurisdiction in this case.

Mr. Ostroff: I beg your pardon, Sir?

The Court: I have reached the conclusion that this Court does not have jurisdiction of this case, based on the facts that you have already introduced. That being my conclusion, I see no reason for going on with this proceeding.

[fol. 335] Mr. Maverick: Your Honor, the question of jurisdiction, we have briefed. You have the briefs, and I know——

The Court: Sir?

Mr. Maverick: I say you have the briefs and I know that

the Court has read them, and of course, I know the Court understands them.

The Court: I don't know whether the Court does or not.

Mr. Maverick: But I think before you decide the jurisdiction, if you have decided that, that probably there are one or two more things that we would like to say on the matter of jurisdiction.

The Court: Well, what are they?

Mr. Maverick: Well, for instance, the Vacuum decision and a number of decisions show that a person who is a citizen of the United States.

The Court: Now, if you are talking about the Vacuum case, I think that case is straight against you. That is my interpretation of that holding.

[fol. 336] Mr. Maverick: Well, in some of these cases, there are certain points that I want to mention again, and then I think that Mr. Ostroff can handle that particular case more fully than I can, but I want to talk about the theory of the jurisdiction of a Court of a person who is a citizen——

The Court: Mr. Maverick, I don't believe that I care to hear any argument on that. You have proven no acts were committed in the United States.

Mr. Maverick: Yes, we have.

The Court: I don't think so.

Mr. Maverick: The watch cases and the dials.

The Court: Being ordered from the United States.

Mr. Maverick: Sir?

The Court: Being ordered from the United States.

Mr. Maverick: They were purchased by an American citizen within the United States, and all of those original decisions on the effect of Interstate Commerce within the States has been to the effect that some action that is done completely within a State but that has an effect on Interstate Commerce is Interstate Commerce, and you are [fol. 337] familiar with those decisions.

The Court: Mr. Maverick, that is going to be my holding, that I am without jurisdiction.

Mr. Maverick: Now, what about the question of Treaty; did you give that consideration?

The Court: Question of what?

Mr. Maverick: The Treaties.

The Court: I just believe, as I told you, that I don't have jurisdiction. Yes, I gave consideration to them.

Mr. Maverick: Did you give consideration——

The Court: I am not on the witness stand, Counsel.

Mr. Maverick: Yes, I understand. Well——

The Court: Now, without further argument, it is the holding of this Court that it does not have jurisdiction of this cause of action.

[fol. 338] Mr. Putman: Well, may it please the Court, in order to protect our record, we would like to introduce in evidence the Treaties between the United States and Mexico, which have not been as yet introduced, so that the record will be complete.

The Court: All right. Put them in now.

Mr. Maverick: We have here, and wish to introduce Treaty Series, No. 834. This is not the one that I introduced before. This is known as IV, Trentwith, 4945, called Vol. 4 of Treaties, Conventions International, Acts, Protocols and Agreements, between the United States and other Powers, 1923 and 1927. This Treaty shows on its face that Mexico——

Mr. Barrett: What is the date of the Treaty, Mr. Maverick?

Mr. Maverick: The original date is, it was signed at The Hague, November 6, 1925.

Mr. Barrett: What is the Treaty known as?

Mr. Maverick: I don't know what it is known as, but it is the "Protection of Industrial Property," 47 Stat. 1789. Now this other treaty, the treaty which was just introduced was 833, and this Treaty is of the Treaty Series, No. 834. This is another Treaty.

[fol. 339] Mr. Barrett: Well, we object to the introduction of any Treaties, unless Counsel is able to show that they were ratified by Mexico.

Mr. Maverick: Well, I will read that part.

Mr. Barrett: Well, I don't think that you can show that a Treaty has been ratified by a foreign Country, unless——

Mr. Maverick: I can show this one was.

Mr. Barrett: Well, we object to the form of the presenta-

tion of it, unless you have proper proof of the ratification of it.

Mr. Maverick: That is what I am going to do now.

Mr. Barrett: Unless you have proper proof of the ratification of this particular Treaty, and I would like for it to be identified, by having the Reporter to identify it, as I can object to it and look at it. Let the Reporter go ahead and identify it.

(The instrument was thereupon marked for the purpose of identification Plaintiff's Exhibit No. 19-A.)

Mr. Barrett: May I see it? (Examining instrument) This Treaty is known as the Convention of the Union of Paris, which was revised the last time at the Hague on November 6, 1925.

[fol. 340] Mr. Maverick: Now, let me read that part that I want to refer to.

The Court: Is there any objection to the introduction of that Treaty?

Mr. Barrett: No, sir.

Mr. Maverick: That wasn't correct what he said, and let me correct that.

Mr. Barrett: The Court has the right to take judicial knowledge of Treaties that the United States has entered into.

Mr. Maverick: This was signed by Mr. Herbert Hoover, and done at the City of Washington, on the 6th day of March, 1931.

The Court: 1931?

Mr. Maverick: 1931.

The Court: Now, what particular portion, Mr. Maverick, did you wish to introduce?

Mr. Maverick: Well, I want to introduce particularly Article 8.

[fol. 341] The Court: Well, read it.

Mr. Maverick: It says (reading):

"A Trade-name shall be protected in all the Countries of the Union without the obligation of filing or registration, whether or not it form part of a trade-mark."

Now, I have one other thing that I want to introduce. Article 6 says:

"No period shall be established to claim the cancellation of fraudulently registered trade-marks."

The Court: What?

Mr. Maverick: "Fraudulently registered marks." However, I want to call particular attention, but I introduce the entire Treaty.

Now, I have already introduced Treaty Series 833, but I didn't put it in the Record.

The Court: All right.

Mr. Maverick: You say that you have already made your holding?

The Court: Yes.

[fol. 342] Mr. Maverick: May I make a statement as to why I think that is relevant?

The Court: Yes, if you wish.

(Whereupon the instrument designated "Treaty Series No. 833" was thereupon marked for the purpose of identification Plaintiff's Exhibit No. 20.)

Mr. Maverick: That is the Treaty, being Treaty Series No. 833, which has been identified as Plaintiff's Exhibit No. 20, which Mr. Barrett found had not been approved by the Mexican House of Deputies, and I want to make a very brief statement, that this is a multi-lateral Treaty, adopted by numerous Nations, and not finally ratified by Mexico, but this has the standing and the dignity of a Federal Statute of the Law of the Land, and applies to all American citizens, if it otherwise applies.

Mr. Barrett: Our objection to that Treaty is——

The Court: That is not admitted as evidence, Mr. Barrett. That is Mr. Maverick's opinion. Any further evidence?

Mr. Putman: If the Court will indulge us just a minute to check our Treaties, to see if we have got them all in. You have two Treaties. With the exception that we have one Treaty, in 1942, a copy of which is not available, and which the Court will take judicial notice of, inasmuch as it is the Law of the Land, and a copy of that will be furnished to [fol. 343] the Reporter, within the next day or two so that the Record will be complete, I think that is all.

The Court: Is there anything further?

Mr. Putman: Yes; I would like to request permission of the Court to submit briefs in support of our views on jurisdiction, in view of the Treaty application.

The Court: At what time?

Mr. Putman: I believe that we can prepare the brief and get it in—this is Thursday, and I would say that if the Court could give us say three days, or five days.

The Court: Well, I don't want to crowd you.

Mr. Putman: You see, I have the next case up in this Court, which will probably last about a day, and that will be Monday, so it will be Tuesday before I could get on it. If the Court could, say, give us ten days?

The Court: Give you what?

Mr. Putman: Ten days.

The Court: All right. I will give you ten days.

[fol. 344] Mr. Putman. Thank you, Sir.

The Court: If the brief should change my mind, that would just necessitate beginning where we have left off, and go on, I assume.

Mr. Putman: I realize that.

The Court: I am pretty firmly convinced that I haven't jurisdiction.

Mr. Matthews: If Your Honor please, we have witnesses here now from Mexico City.

The Court: What?

Mr. Matthews: We have witnesses here from Mexico City, and we would like to have a conclusion of this case.

The Court: Like to have what?

Mr. Matthews: We would like to have everything that is to be heard in this case completed at this time, if possible. We think that your Honor's ruling is correct. I think that it is clearly correct, but the delay will leave it doubtful—our litigant here, as the evidence shows, is not a wealthy man, or it doesn't show in this Record to be, and he isn't, and this case has been attended at great expense, and to bring [fol. 345] these witnesses back, it would be a great hardship. If we are willing to rest on the proposition that Your Honor is correct on this proposition——

The Court: Well, here is the way that I feel about it, Counsel. In any case, where I make a decision, and decide

a question, the other side has always the right to make a motion for a re-hearing and file a brief.

Mr. Matthews: I think that would be the proper procedure here.

The Court: And I was not only granting them that right, but I grant every litigant that right; they have that right. I am not granting them any favors. What I think about this is this: As I say, I am convinced that I don't have jurisdiction. In view of the situation, in view of the fact that some of you are a long way off, if you wish in spite of that, to go ahead and make out the Record I will permit you to do that, but I think that I am wasting time.

Mr. Matthews: Your Honor, our view of the case is in accordance with the Court's ruling, that is, it is a question of jurisdiction of the laws, of the Courts, and the legislative bodies and the whole United States Government; that is, it is not the narrow matter of jurisdiction over this man personally, but the broad jurisdiction over the subject matter of the case being beyond the territorial limits.

The Court: I realize that I have jurisdiction of your client, as far as his person is concerned.

[fol. 346] Mr. Matthews: That is right.

The Court: But the acts involved in this litigation is what I have in mind, and I don't think that I have any jurisdiction over them at all.

Mr. Matthews: We have no objection to the granting of the delay, if that is what Your Honor wants to do.

The Court: No objection to what?

Mr. Matthews: To the granting of the delay.

The Court: What I am getting at is, if you wish to, go ahead and put on your evidence now.

Mr. Matthews: I think, Your Honor, we will just run the risk of Your Honor's ruling being correct, and if you should change your mind, we will have to bring them back.

The Court: All right. Now, get your brief in within ten days, and you will have ten days to reply. You had better make a Motion for Re-hearing, Mr. Maverick. File your Motion for Re-hearing, supported by your brief.

Mr. Maverick: Yes, sir.

[fol. 347] Mr. Matthews: Shall we present an Order, Your Honor, a Judgment?

The Court: Yes. Court will recess, Gentlemen.

(Which was all of the evidence introduced and all of the proceedings had upon the trial of the above numbered and entitled cause.)

In United States District Court

Findings of Fact and Conclusions of Law—Filed June 19, 1950

In compliance with Rule 52 of the Federal Rules of Civil Procedure the Court hereby finds the facts in the above case and states its conclusions of law thereon as follows:

Findings of Fact

1. The Defendant Sidney Steele is now and has been since 1933 engaged in the business of selling watches solely in the Republic of Mexico from his sole and only place of business located in Mexico City. The Defendant Sidney Steele has no place of business in the United States and does not engage in the sale of watches or other goods within the United States or any of its territories. The Defendant Sidney Steele does not compete in the sale of watches in the United States or in any territory subject to its jurisdiction.

2. None of the acts of the Defendant Sidney Steele in placing the name "Bulova" on the face or works of [fol. 348] watches or in the sale of watches bearing said name were done or performed within the United States or any of its territories, but were done and performed solely within the Republic of Mexico where the Defendant Steele assembles, marks and sells all of the watches bearing the "Bulova" name which are assembled, marked and sold by him.

3. The Defendant Sidney Steele procures all of the works of the watches sold by him solely from manufacturers of watches in Switzerland. None of the works of watches imported by him into Mexico from Switzerland have the "Bulova" name stamped or engraved on them, said name being placed thereon by said Defendant at his place of business in Mexico City and not elsewhere. The Defendant Steele procures all watch cases and watch dials used by him

in his business in Mexico City from Switzerland except for a small number of watch cases and watch dials which are procured from manufacturers or jobbers in the United States. None of the watch cases or watch dials purchased in the United States or in Switzerland have the "Bulova" name stamped or engraved thereon, such name being placed on watch dials by the Defendant Sidney Steele at his place of business in Mexico City and not elsewhere.

4. On December 5, 1933, there was granted to S. Steele Y Cia., S. A., the predecessor in title of Sidney Steele, Mexican National Trade-mark No. 33602 granting the right to use the name "Bulova" in the Republic of Mexico as a trade name for watches, and the Defendant Sidney Steele's asserted right to use said name is based on said Mexican trade-mark, which trade-mark has been the subject of litigation between the Plaintiff Bulova Watch Com- [fol. 349] pany, Inc. and the Department of National Economy and the Director of Industrial Property of the Republic of Mexico in cases before the Mexican Courts in which the Defendant Sidney Steele was a party, and the Plaintiff has been unsuccessful in such litigation. At the present time there is a suit or proceeding pending in Mexico with reference to the right as between Plaintiff and the Defendant Sidney Steele to use the "Bulova" name on watches assembled and sold by said Defendant in Mexico.

5. The Defendant Sofia Steele, or Sophie Steele, is the wife of Sidney Steele, but does not participate in the conduct of his watch business in Mexico City and has not performed any of the alleged acts of unfair competition complained of by Plaintiff S. Steele Y Cia., S. A., is a Mexican corporation which was dissolved about the year 1934, its interest in Mexican National Trade-mark or Trade Name No. 33602 called "Bulova" having been theretofore assigned of record to the Defendant Sidney Steele.

Conclusions of Law

1. The Court concludes that as a matter of law the alleged acts of unfair competition complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the government and laws, both

State and Federal, of the United States and outside of the territorial jurisdiction and powers of this Court.

2. The Court concludes that as a matter of law the acts and conduct complained of relate to the internal commerce [fol. 350] of the Republic of Mexico, solely within the jurisdiction and control of the Courts and the laws of the Republic of Mexico.

3. The Court concludes as a matter of law that it is without authority or jurisdiction to set aside or otherwise annul the Mexican trade-mark under which Defendant asserts the right to use the "Bulova" name.

4. The Court concludes as a matter of law that this cause should be disposed of by dismissal in accordance with the judgment signed on June 1, 1950, and entered in this cause.

(S.) Ben H. Rice, Jr.,
United States District Judge.

In United States District Court

Plaintiff's Proposed Findings of Fact and Exceptions and Objections to Defendants' Findings of Fact and Conclusions of Law—Filed June 22, 1950.

Now comes the plaintiff, Bulova Watch Company, in the above cause and excepts and objects to the findings of fact and conclusions of law adopted by the Court herein, as follows:

I

To the entire judgment and decree as entered by the Court.

[fol. 351]

II

Plaintiff requests the following finding of fact. That the defendants, Sidney Steele and Sophia Steele, have been for a period of several years and are at this time residents of San Antonio, Bexar County, Texas, United States of America, and are citizens of the United States of America.

III

The plaintiff requests the following finding of fact. That defendant, Sidney Steele, in connection with his business of assembling, marking and selling watches in Mexico, purchased practically all of his watch cases and dials in New York City.

IV

Plaintiff objects and excepts to that portion of the findings of fact, being number 3 on page 2, where appear the words, "The Defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for a small number of watch cases and watch dials which are procured from manufacturers or jobbers in the United States," and says that the same should be stricken in that watch cases and watch dials were bought in a "great majority" (See Reporter's Record, pp. 135, 137, 138) and generally from the United States of America, and requests that the following be substituted for the above words:

That the defendant Steele procures a great majority of watch cases and dials used by him in his business in [fol. 352] Mexico from the United States of America through the instrumentality of international commerce from the United States, into Mexico, where watches were assembled.

V

Plaintiff objects and excepts to findings of fact Number 5 and moves that it be stricken in that a determination upon the interests or property rights of Sophia Steele or Sophie Steele is wholly irrelevant to the proceedings in that it has nothing to do with jurisdiction.

Further Exceptions to Findings of Fact

Plaintiff further excepts as follows:

1. To the Court's conclusions that the subject matter is beyond the jurisdiction and control of the Court.

2. To the Court's refusal to grant relief prayed for.

3. To the Court's holding in the judgment and order wherein the case is "hereby dismissed with prejudice," in that the dismissal being for want of jurisdiction that the same could not be dismissed "with prejudice."

4. To the assessment by the Court of costs against the plaintiff because of defendants' expressed and deliberate appropriation of plaintiff's name and bad faith even if the Court refuses jurisdiction, and because the Court should not give defendants any benefit arising out of the wrong doing of defendants.

[fol. 353] 5. To any finding as contained in paragraph 4 of findings of fact concerning titles of S. Steele y Cia., S. A., its predecessors, or any finding concerning Sidney Steele's right under Mexican trademarks in that the record shows no notice of Bulova Watch Company before 1944 and in that said finding of fact is irrelevant and immaterial in that the case was dismissed for want of jurisdiction and in that current Mexican litigation between Bulova and Steele in Mexico, or the use of the name Bulova in Mexico, is not properly before the Court insofar as it relates to the factor of determining jurisdiction.

Exceptions to Conclusions of Law

I

Plaintiff excepts to the whole of the conclusions of law and each and every part thereof.

II

Plaintiff excepts to the conclusions of law in Paragraph 1 in their entirety and specifically in that "the alleged acts of unfair competition complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the government and laws * * * of the United States and outside of the territorial jurisdiction and powers of this Court" in that said unfair competition as alleged and complained of by plaintiff was committed to a substantial extent within the United States of America and within the jurisdiction and control of the government and laws of the United States and inside the territorial jurisdiction and powers of this Court.

[fol. 354] III

Plaintiff excepts to conclusion of law Number 2 in that, 1) the acts and conduct complained of related to interstate or international commerce between the United States of America and the Republic of Mexico within the jurisdiction and control of the United States of America; and, 2) defendants are citizens of the United States residing within the jurisdiction of the Court and purchasing within the United States for transport into Mexico watch cases and dials used in Mexico, the same being in violation of American law anywhere in the world.

IV

Plaintiff excepts to conclusion of law Number 3 in its entirety in that plaintiff did not ask for an annulment of the Mexican trademark but for an order directed against defendant personally as a matter of equity to give up the Mexican trademark and his right to use the name "Bulova" as being unfair competition with plaintiff and in violation of the treaties and agreements to which this Court is a party and which even if unilateral as to Mexico, bind the defendant as a citizen and resident of this country, a portion of the materials being dials and cases being purchased in the United States and therefore within the jurisdiction of this Court.

[fol. 355] V

The plaintiff excepts to conclusion of law Number 4 in its entirety.

Respectfully submitted, Maverick, Putman & Putman, By (S.) Harold D. Putman, Attorneys for Plaintiff.

Of Counsel: Maury Maverick, Harold D. Putman, Sanford H. Cohen, George Cohen, Isidor Ostroff, Charles W. Grace.

Proof of Service [Omitted in printing]

[fol. 356] IN UNITED STATES DISTRICT COURT

REPLY OF DEFENDANTS TO PLAINTIFF'S REQUEST FOR AMENDED FINDINGS OF FACT—Filed June 28, 1950

Now come the Defendants in the above styled and numbered cause and file this, their reply to Plaintiff's request for amended findings of fact in the above case, which has been called and designated herein as "Plaintiff's Proposed Findings of Fact and Exceptions and Objections to Defendant's Findings of Fact and Conclusions of Law," and for such reply say:

I

Answering Paragraph II in which Plaintiff requests a finding that Defendants Sidney Steele and Sofia Steele have for a period of several years maintained a residence in San Antonio, Bexar County, Texas: Defendants show that they have specifically admitted the fact that the said Defendants have for a period of several years and are at this time maintaining a residence in San Antonio, Bexar County, Texas. Since this was admitted by Defendants' pleadings and is now reiterated as an admission of an undisputed fact, no finding with reference to it by the Court is necessary.

II

Answering Paragraphs III and IV in which Plaintiff objects to the Court's Finding of Fact No. 3 because it states that a "small number" of watch cases and watch dials are procured from jobbers in the United States, Defendants show: The Transcript of Evidence prepared by [fol. 357] Mr. Kerr Sanders, the Court Reporter, shows the following testimony with reference to the number of watch cases and watch dials imported from the United States and used on the watches bearing the "Bulova" name:

"A. Well, we get the complete movements from Switzerland to Mexico, and then we buy—some of the watches are complete, and some are only movements, and with movements, when I am short of cases, I order them from the States. Some we have to change dials, on account of the

opening of the case. We have to get also some dials in the States, and when we get them down there, we change the dials according to the need of the case, and then there is a complete watch.

"Q. Are some of the watches which you sell and which you have placed on them Bulova, do they have cases bought from the United States?

"A. Some of them, yes.

"Q. Some of them, and some of the dials come from the United States?

"A. A few dials, yes, but a very small percentage."

Plaintiff, in its exceptions, refers to the Transcript of Evidence, Pages 135, 137 and 138, as sustaining the contention that a "great majority" of the watch cases and dials come from the United States. An examination of the testimony on these pages of the record does not support the contention in any way. Plaintiff attempts to construe the testimony of Mr. Steele that the majority of the watch dials bought in the United States were bought from a New York concern by the name of Berna Swiss into a statement that a majority of the watch dials and cases used on the [fol. 358] "Bulova" watches sold by him in Mexico came from the United States.

The specific testimony quoted above with reference to the small number of dials and cases used on the "Bulova" watches sold in Mexico by Sidney Steele is the only direct testimony necessarily the controlling testimony on the subject. Generalized statements with reference to his overall business, including the "Sidney" and "Irma" watches clearly are not in conflict with the specific testimony with respect to the "Bulova" watches sold by him. This is particularly true in the light of the fact that the watches sold by him bearing the "Bulova" name represent only something less than five per cent of the total number of watches sold by him under other names. The objections to Finding of Fact No. 3 are without merit and should be overruled.

III

Replying to Paragraph V: In this paragraph Plaintiff asks that the Court strike out its Finding of Fact No. 5

finding that the Defendant Sofia Steele does not participate in Defendant Sidney Steele's watch business and that S. Steele Y Cia., S. A., is a Mexican corporation which has been dissolved. These findings are clearly appropriate in order to explain the disposition of these Defendants made by the judgment entered in this case and to account for the fact that no findings are made with reference to the conduct of Mrs. Steele or the Mexican corporation.

[fol. 359] IV

Replying to the "Further Exceptions to Findings of Fact" and "Exceptions to Conclusions of Law:" These merely incorporate the contentions and arguments of the Plaintiff heretofore presented to the Court which the Court rejected prior to the entry of the judgment. No action is required on these objections since they are not provided for or contemplated by the rules.

Wherefore, Defendants pray that Plaintiff's request for amended findings of fact be denied and that no action be taken on its objections to the findings of fact and conclusions of law.

(S.) Herbert Davis, Grady Barrett, W. L. Matthews, Attorneys for Defendants.

Of Counsel: Davis & Schenker, Brewer, Matthews, Nowlin & MacFarlane.

IN UNITED STATES DISTRICT COURT

ORDER ON OBJECTIONS OF PLAINTIFF TO THE FINDINGS OF FACT AND CONCLUSIONS OF LAW—Filed July 11, 1950

On the 29th day of June, 1950, came on to be heard Plain-
[fol. 360] tiff's Request for Findings of Fact and Exceptions to the Findings of Fact and Conclusions of Law filed herein, and the Court having considered the same and having made certain changes in the Findings of Fact, it is Ordered that the Findings of Fact and Conclusions of Law filed herein on June 19, 1950, be and the same are hereby amended so that same shall be and read as follows:

"Findings of Fact and Conclusions of Law.

In compliance with Rule 52 of the Federal Rules of Civil Procedure the Court hereby finds the facts in the above case and states its conclusions of law thereon as follows:

Findings of Fact

1. The Defendant Sidney Steele is now and has been since 1933 engaged in the business of selling watches solely in the Republic of Mexico from his sole and only place of business located in Mexico City. The Defendant Sidney Steele has no place of business in the United States and does not engage in the sale of watches or other goods within the United States or any of its territories. The Defendant Sidney Steele does not compete in the sale of watches in the United States or in any territory subject to its jurisdiction.

2. None of the acts of the Defendant Sidney Steele in placing the name "Bulova" on the face or works of watches or in the sale of watches bearing said name were done or performed within the United States or any of its territories, but were done and performed solely within the Republic of Mexico where the Defendant Steele assembles, marks and [fol. 361] sells all of the watches bearing the "Bulova" name which are assembled, marked and sold by him.

3. The Defendant Sidney Steele procures all of the works of the watches sold by him solely from manufacturers of watches in Switzerland. None of the works of watches imported by him into Mexico from Switzerland have the "Bulova" name stamped or engraved on them, said name being placed thereon by said Defendant at his place of business in Mexico City and not elsewhere. The Defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for some watch cases and watch dials which are procured from manufacturers or jobbers in the United States. None of the watch cases or watch dials purchased in the United States or in Switzerland have the "Bulova" name stamped or engraved thereon, such name being placed on watch dials by the Defendant Sidney Steele at his place of business in Mexico City and not elsewhere.

4. On December 5, 1933, there was granted to S. Steele, Y Cia, S. A., the predecessor in title of Sidney Steele, Mexican National Trade-mark No. 33602, purporting to grant the right to use the name "Bulova" in the Republic of Mexico as a trade name for watches, and the Defendant Sidney Steele's asserted right to use said name is based on said Mexican trade-mark, which trade-mark has been the subject of litigation between the Plaintiff Bulova Watch Company, Inc., and the Department of National Economy and the Director of Industrial Property of the Republic of Mexico in cases before the Mexican Courts in which the Defendant [fol. 362] Sidney Steele was a party, and the Plaintiff has not up to this time been successful in such litigation. At the present time there is a suit or proceeding pending in Mexico with reference to the right as between Plaintiff and the Defendant Sidney Steele to use the "Bulova" name on watches assembled and sold by said Defendant in Mexico.

Conclusions of Law

1. The Court concludes that as a matter of law the alleged acts of unfair competition complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the Government and laws, both State and Federal, of the United States and outside of the territorial jurisdiction and powers of this Court.

2. The Court concludes that as a matter of law the acts and conduct complained of relate to the internal commerce of the Republic of Mexico, solely within the jurisdiction and control of the Courts and laws of the Republic of Mexico.

3. The Court concludes as a matter of law that it is without authority or jurisdiction to set aside or otherwise annul the Mexican trade-mark under which Defendant asserts the right to use the "Bulova" name.

4. The Court concludes as a matter of law that this cause should be disposed of by dismissal in accordance with the judgment signed on June 1, 1950, and entered in this cause." [fol. 363] It is further Ordered that, except as hereinabove amended, Plaintiff's Requested Findings are denied and Exceptions overruled.

Signed this 11th day of July, 1950.

(S.) Ben H. Rice, Jr., United States District Judge.

IN UNITED STATES DISTRICT COURT

Civil Action No. 1270

BULOVA WATCH COMPANY, INC., Plaintiff,

vs.

SIDNEY STEELE, SOFIA STEELE, also known as SOPHIE STEELE, and S. STEELE Y. CIA., S. A., Defendants

JUDGMENT—Filed June 1, 1950

The above cause having come on for trial on April 17, 1950, and the Court, having heard evidence and argument of counsel, is of the opinion and finds that all of the alleged acts of unfair competition by the use of the "Bulova" name complained of by Plaintiff, Bulova Watch Company, Inc., were done and performed by the Defendant, Sidney Steele, in connection with his business of assembling, marking and selling watches solely in the Republic of Mexico and, therefore, the subject matter of this suit and the acts of the said Defendant are beyond the jurisdiction and control of the [fol. 364] government and the law, both State and Federal, of the United States of America and of this Court:

It Is, Therefore, Ordered, Adjudged and Decreed that Plaintiff's Motion for Rehearing or New Trial is hereby overruled, and all relief prayed for by Plaintiff is hereby denied and this cause is hereby dismissed with prejudice, and all costs herein are adjudged against Plaintiff.

Entered this 1st day of June, A.D. 1950.

(S.) Ben H. Rice, Jr., United States District Judge.

IN UNITED STATES DISTRICT COURT

PLAINTIFF'S MOTION FOR RE-HEARING—Filed May 4, 1950

Now comes the plaintiff in the above numbered and styled cause and with leave of Court first obtained files this its motion for re-hearing and new trial in said cause and in support thereof respectfully shows that this Honorable Court erred in heretofore holding that it had no jurisdiction

to hear the issues presented in plaintiff's complaint and dismissing the cause for the following reasons:

I

That there is a necessary diversity of citizenship between the parties plaintiff and defendant.

[fol. 365]

II

That the amount in controversy exceeds the sum of Three Thousand ($3,000.00) Dollars.

III

That the defendants used the interstate commerce of the United States to effectuate the performance of the acts complained of in the plaintiff's complaint.

IV

That the acts complained of by the plaintiff and performed by the defendants are in violation of the Lanham Act and of the nature of unfair trade practices.

V

That the defendants being citizens of the United States are bound by the statutes and treaties of the United States in their conduct.

Wherefore, plaintiff respectfully requests that this Motion do be granted and that the order of dismissal heretofore entered in said cause do be set aside and that a rehearing do be granted in this cause.

Maverick, Putman and Putman, By (S.) Maury Maverick, Attorneys for Plaintiff.

Proof of Service (omitted in printing)

[fol. 366] In United States District Court

Motion to Reform Judgment—Filed June 29, 1950

Plaintiff moves that the judgment in the above cause be reformed as follows:

1) That the underlined words "hereby dismiss with prejudice" be stricken in that the case was dismissed for the single and only reason of want of jurisdiction; "prejudice" or a lack of prejudice not being relevant to the cause dismissed.

2) To the assessment by the Court of costs against the plaintiff because of defendants' expressed and deliberate appropriation of plaintiff's name and bad faith, even if the Court refuses jurisdiction, and because the Court should not give defendants any benefit arising out of the wrong doing of defendants.

Respectfully submitted, Maverick, Putman & Putman,
By (S.) Harold D. Putman, Attorneys for Plaintiff,
1000 Transit Tower, San Antonio, Texas.

Of Counsel: Maury Maverick, Sr., Harold D. Putman, Sanford H. Cohen, George Cohen, Charles W. Grace, Isidor Ostroff.

[fol. 367] Proof of service (omitted in printing)

In United States District Court

Order on Plaintiff's Motion to Reform Judgment—Filed July 11, 1950

On the 29th day of June, 1950, came on to be heard Plaintiff's Motion to Reform Judgment herein filed on June 29, 1950, and the Court having heard and considered said Motion, it is Ordered that the same is hereby overruled and denied.

Signed this 11th day of July, 1950.

(S.) Ben H. Rice, Jr., United States District Judge.

[fol. 368] IN UNITED STATES DISTRICT COURT

NOTICE OF APPEAL—Filed June 7, 1950

[Title omitted]

To the Honorable Judge of Said Court:

The above named plaintiff hereby gives notice of appeal from the judgment of the Court in the above entitled cause.

Maverick, Putman & Putman, By (S.) Maury Maverick, Attorneys for Plaintiff, 1000 Transit Tower, San Antonio, Texas.

Proof of service (omitted in printing).

[fol. 369-370] Bond on appeal for $250.00 approved and filed June 20, 1950 (omitted in printing).

[fol. 371] IN UNITED STATES DISTRICT COURT

ASSIGNMENT OF ERRORS

Now comes the above named plaintiff Bulova Watch Company, Inc., by its attorneys Maverick, Putman & Putman, Esqs., and makes the following assignment of errors which it avers occured in the above entitled proceeding and which prejudiced plaintiff's rights and to which exceptions were taken, to wit:

1. The Court erred in dismissing the plaintiff's complaint herein.

2. The Court erred in dismissing the complaint herein with prejudice and in entering judgment thereon against the plaintiff.

3. The Court erred in basing its judgment on lack of jurisdiction.

4. The Court erred in finding "that the defendant Sidney Steele is now and has been since 1933 engaged in the business of selling watches solely in the Republic of Mexico from his sole and only place of business located in Mexico City. The Defendant Sidney Steele has no place of business in the United States and does not engage in the sale of watches or

[fol. 372] other goods within the United States or any of its territories. The Defendant Sidney Steele does not compete in the sale of watches in the United States or in any territory subject to its jurisdiction."

5. The Court erred in finding that none of the acts of the Defendant Sidney Steele in placing the name "Bulova" on the face or works of watches or in the sale of watches bearing said name were done or performed within the United States or any of its territories, but were done and performed solely within the Republic of Mexico where the Defendant Steele assembles, marks and sells all of the watches bearing the "Bulova" name which are assembled, marked and sold by him.

6. The Court erred in finding "that the Defendant Sidney Steele procures all of the works of the watches sold by him solely from manufacturers of watches in Switzerland. None of the works of watches imported by him into Mexico from Switzerland have the "Bulova" name stamped or engraved on them, said name being placed thereon by said Defendant at his place of business in Mexico City and not elsewhere. The Defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for a small number of watch cases and watch dials which are procured from manufacturers or jobbers in the United States. None of the watch cases or watch dials purchased in the United States or in Switzerland have the "Bulova" name stamped or engraved thereon, such name being placed on watch dials by the Defendant Sidney Steele at his place of business in Mexico City and not elsewhere."

[fol. 373] 7. The Court erred in finding "that on December 5, 1933, there was granted to S. Steele Y Cia., S. A., the predecessor in title of Sidney Steele, Mexican National Trade-Mark No. 33602, granting the right to use the name "Bulova" in the Republic of Mexico as a trade name for watches, and the Defendant Sidney Steele's asserted right to use said name is based on said Mexican trade-mark, which trade-mark has been the subject of litigation between the Plaintiff Bulova Watch Company, Inc., and the Department of National Economy and the Director of Industrial Property of the Republic of Mexico in cases before the Mexican Courts in which Defendant Sidney Steele was a party, and

the plaintiff has been unsuccessful in such litigation. At the present time there is a suit or proceeding pending in Mexico with reference to the right as between Plaintiff and the Defendant Sidney Steele to use the "Bulova" name on watches assembled and sold by said Defendant in Mexico."

8. The Court erred in finding "that the Defendant Sofia Steele, or Sophie Steele, is the wife of Sidney Steele, but does not participate in the conduct of his watch business in Mexico City and has not performed any of the alleged acts of unfair competition complained of by Plaintiff. S. Steele Y Cia., S. A., is a Mexican corporation which was dissolved about the year 1934, its interest in Mexican National Trade-Mark or Trade Name No. 33602 called "Bulova" having been theretofore assigned of record to the Defendant Sidney Steele."

9. The Court erred in reaching the conclusion of law that as a matter of law the alleged acts of unfair competition [fol. 374] complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the government and laws, both States and Federal, of the United States and outside of the territorial jurisdiction and powers of this Court.

10. The Court erred in reaching the conclusion of law that as a matter of law the acts and conduct compained of relate to the internal commerce of the Republic of Mexico, solely within the jurisdiction and control of the Courts and the laws of the Republic of Mexico.

11. The Court erred in reaching the conclusion of law that it is without authority or jurisdiction to set aside or otherwise annul the Mexican trade-mark under which defendant asserts the right to use the "Bulova" name.

12. The Court erred in reaching the conclusion of law that this cause should be disposed of by dismissal in accordance with the judgment signed on June 1, 1950, and entered in this cause.

13. The Court erred in refusing to uphold the plaintiff's objection and exception to the entire judgment and decree as entered by the Court.

14. The Court erred in refusing to find that the defendants, Sidney Steele and Sophie Steele, have been for a period of several years and are at this time residents of San

Antonio, Bexar County, Texas, United States of America, and are citizens of the United States of America.

15. The Court erred in refusing to find that defendant, [fol. 375] Sidney Steele, in connection with his business of assembling, marking and selling watches in Mexico, purchased practically all of his watch cases and dials in New York City.

16. The Court erred in over-ruling the objection and exception to that portion of the findings of fact, being number 3 on page 2, where appear the words, "The Defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for a small number of watch cases and watch dials which are procured from manufacturers or jobbers in the United States," and says that the same should be stricken in that watch cases and watch dials were bought in a "great majority". (See Reporter's Record, pp. 135, 137, 138) and generally from the United States of America, and requests that the following be substituted for the above words:

That the defendant Steele procures a great majority of watch cases and dials used by him in his business in Mexico from the United States of America through the instrumentality of international commerce from the United States, into Mexico, where watches were assembled.

17. The Court erred in failing to uphold the objection and exception of plaintiff to findings of fact number 5 and moves that it be stricken in that a determination upon the interests or property rights of Sophia Steele or Sophie Steele is wholly irrelevant to the proceedings in that it has nothing to do with jurisdiction.

18. The Court erred in failing to uphold plaintiff's objection and exception to the Court's conclusions that the subject matter is beyond the jurisdiction and control of the Court.

[fol. 376] 19. The Court erred in failing to uphold plaintiff's objection and exception to the Court's refusal to grant relief prayed for.

20. The Court erred in failing to uphold plaintiff's objection and exception to the Court's holding in the judgment and order wherein the case is "hereby dismissed with prejudice," in that the dismissal being for want of jurisdiction that the same could not be dismissed "with prejudice."

21. The Court erred in failing to uphold plaintiff's objection and exception to the assessment by the Court of costs against the plaintiff because of defendants' expressed and deliberate appropriation of plaintiff's name and bad faith even if the Court refuses jurisdiction, and because the Court should not give defendants any benefit arising out of the wrong doing of defendants.

22. The Court erred in failing to uphold plaintiff's objection and exception to any finding as contained in paragraph 4 of findings of fact concerning titles of S. Steele y Cia., S. A., its predecessors, or any finding concerning Sidney Steele's right under Mexican trademarks in that the record shows no notice of Bulova Watch Company before 1944 and in that said finding of fact is irrelevant and immaterial in that the case was dismissed for want of jurisdiction and in that current Mexican litigation between Bulova and Steele in Mexico, or the use of the name Bulova in Mexico, is not properly before the Court insofar as it relates to the factor of determining jurisdiction.

[fol. 377] 23. The Court erred in failing to sustain plaintiff's exception to the whole of the conclusions of law and each and every part thereof.

24. The Court erred in failing to sustain plaintiff's exception to the conclusions of law in Paragraph 1 in their entirety and specifically in that "the alleged acts of unfair competition complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the government and laws . . . of the United States and outside of the territorial jurisdiction and powers of this Court" in that said unfair competition as alleged and complained of by plaintiff was committed to a substantial extent within the United States of America and within the jurisdiction and control of the government and laws of the United States and inside the territorial jurisdiction and powers of this Court.

25. The Court erred in failing to sustain plaintiff's exception to conclusion of law Number 2 in that, 1) the acts and conduct complained of related to interstate or international commerce between the United States of America and the Republic of Mexico within the jurisdiction and control of the United States of America; and 2) defendants are citizens of the United States residing within

the jurisdiction of the Court and purchasing within the United States for transport into Mexico watch cases and dials used in Mexico, the same being in violation of American law anywhere in the world.

26. The Court erred in failing to sustain plaintiff's exception to conclusion of law Number 3 in its entirety in that [fol. 378] plaintiff did not ask for an annulment of the Mexican trademark but for an order directed against defendant personally as a matter of equity to give up the Mexican trademark and his right to use the name "Bulova" as being unfair competition with plaintiff and in violation of the treaties and agreements to which this Court is a party and which even if unilateral as to Mexico, bind the defendant as a citizen and resident of this Country, a portion of the materials being dials and cases being purchased in the United States and therefore within the jurisdiction of this Court.

27. The Court erred in failing to sustain plaintiff's exception to conclusion of law Number 4 in its entirety.

28. The Court erred in making and entering its order on the objections of the plaintiff to the findings of fact and conclusions of law dated the 11th day of July, 1950, and to each and every part thereof.

29. The Court erred in entering its order dated the 11th day of July, 1950, over-ruling and denying plaintiff's motion to reform the judgment entered herein.

30. The Court erred in failing to permit both sides to present their testimony and in failing to permit plaintiff the right of cross-examination and rebuttal.

31. After having failed to permit both sides to complete their case in order to dismiss the action on the sole ground of its ack of jurisdiction, the Court erred in making any findings of fact as to any matters not connected with the question of jurisdiction.

[fol. 379] 32. The Court erred in failing to retain jurisdiction over the defendant Steele, who is domiciled within the physical jurisdiction of the Court, and who was personally served with summons and complaint within the territorial jurisdiction of the Court.

33. The Court erred in failing to retain jurisdiction of the defendant in an action, the subject matter of which is vested by Congress in the Federal Courts.

34. The Court erred in refusing jurisdiction in an action in which the defendant and subject matter were both properly before the Court under express statutory jurisdictional enactment.

Wherefore, the plaintiff-appellant, Bulova Watch Company, Inc., prays that by reason of the aforesaid errors and the other errors in the record proceedings, the judgment entered on the 1st day of June, 1950, and the subsequent orders predicated thereon may be reversed and the case remanded for trial on the issues thereof.

(S.) Maury Maverick, Maverick, Putman & Putman,
Attorneys for plaintiff-appellant.

Office & P. O. Address, 1000 Transit Tower, San Antonio, Texas.

Of Counsel: Sanford H. Cohen, George Cohen, Isidor Ostroff.

[fol. 380] IN UNITED STATES DISTRICT COURT

REQUEST FOR DESIGNATION OF CONTENTS OF RECORD ON APPEAL.—Filed August 25, 1950

To The Honorable Judge Of Said Court:

Now comes plaintiff appellant in the above styled and numbered cause, and files this its Request for Designation of Contents of Record on Appeal.

1. Plaintiff's Complaint.
2. Defendants Answer.
3. Transcript of Evidence.
4. Judgment.
5. Plaintiff's Motion for Rehearing.
6. Findings of Fact and Conclusions of Law.
7. Plaintiff's Proposed Findings of Fact and Exceptions and Objections to Defendants' Findings of Fact and Conclusions of Law.
8. Reply of Defendants to Plaintiff's Request for Amended Findings of Fact.
9. Order on Objections of Plaintiff to the Findings of Fact and Conclusions of Law.
10. Plaintiff's Motion to Reform Judgment.

11. Order on Plaintiff's Motion to Reform Judgment.
[fol. 381] 12. Notice of Appeal.
13. Notice of Appeal.
14. Plaintiff Appellant's Assignments of Error.
15. Designation of Contents of Record on Appeal.

Maverick, Putman and Putman, By (S.) Maury Maverick, Attorneys For Plaintiff Appellant.

1000 Transit Tower, San Antonio, Texas.

Proof of service (omitted in printing)

IN UNITED STATES DISTRICT COURT

JOINT STIPULATION AS TO ABBREVIATION OF APPELLEES' EXHIBITS FILED AND INDEX THERETO.—September 19, 1950

[Title omitted]

It is hereby stipulated by the attorneys for the re-
[fol. 382] spective parties hereto that all original Exhibits of the Appellees (Defendants) in the Spanish language and the certificates thereto attached, sent up to the Court of Appeals, in accordance with order of the District Judge, shall not be printed in the record.

It is further stipulated that there shall be omitted from the printed transcript such formal parts or portions of Appellees' (Defendants') Exhibits T-1 to T-22, inclusive, 25, 26 and T-27 as are stricken out by red ink lines in the copies of said Exhibits hereto attached, and that the prepared Index thereto attached be made a part of the printed record, the printer to show the page or pages of the printed record where such Exhibits may appear therein, and that the Clerk may deliver the attached copies of Exhibits to the printer for his use in printing the record.

Signed and agreed to this the 19th day of September, 1950.

Maury Maverick, Attorney for Appellant (Plaintiff),
Grady Barrett, Attorneys for Appellees (Defendants).

APPELLEES' EXHIBIT T-1

Mexican National Trade-mark registration No. 33602 called "Bulova" covering watches issued to S. Steele y Cia. of Mexico, D. F., by the Mexican Secretariat of National Economy, Department of Industrial Property, dated December 5, 1933, and transfer of said trade-mark to Sidney Steele.

[fol. 383] At the top a cut showing the Mexican National Shield, including an eagle, snake and cactus, etc.

United Mexican States,

Secretariat of National Economy,

Department of Industrial Property,

Title to Trademark NNo. 33602

In view of the fact that Messrs. S. Steele & Company, of Mexico, D. F., which establishment is located in Mexico, D. F., have complied with the corresponding legal requisites, the trade-mark, whose facsimile and description are attached, was registered on the 25th of October, 1933, at 12:24 P. M., under the number above expressed.

This registration is valid for twenty years from the date above set out and as proof thereof, the present title is extended at Mexico, D. F., on December 5, 1933.

The Secretary of National Economy. Primo Villa Michel. Attorney. (Seal.)

Description of the trade-mark belonging to the firm of S. Steele & Co., domiciled in Mexico, Federal District, which it uses to cover and distinguish various classes of watches manufactured in Switzerland.

The trade-mark consists in the name "Bulova".

The trade-mark shall be used within or outside the watches, on the cases and packages of the same, and in any other analogous manner.

Reservations

[fol. 384] The owner principally fixes its trade-mark and reserves exclusive ownership:

I. Of the use of the word "Bulova" and, therefore, it will consider as imitation the employment and use by a third party of that word to cover watches.

II. Of all which is inferred from that printed word according to the cut which is attached.

III. Of the right to apply it in any manner which produces the visual impression represented by the annexed prints. Mexico, Federal District, on the twenty-third of October, 1933.

Sidney Steele.

The Present was registered in the Record of Trademarks, proceedings of which appear in File No. 5483.

Mexico, D. F. 5 of December of 1933. The Chief of the Section. (Signature illegible)

O. K.:

The Chief of the Department, Eng. Emilio De La Parra.

(Signature)

On the date in which the registration of trade-mark 33602 was applied for and conceded, the company "S. Steele and Co." was in existence, as it appears from the proofs attached to the relative file; therefore, the said trade-mark belongs to that company, and as evidence thereof the respective annotation is made.

[fol. 385] Mexico, D. F., Oct. 26, 1935. The Chief of the Department. (Signature illegible)

On this date the transfer of the ownership of trade-mark No. 33602 was recorded in favor of Mr. Sidney Steele of this city.

Mexico, Oct. 26, 1935.

The Chief of the Department of Indusfrial Property.

(Signature illegible)

* * * * * *

APPELLEES' EXHIBIT T-2

Certificate by Mexican Director General of Industrial Property that registration of National trade-mark 33602 called "Bulova" was published in the Gazette of Industrial Property in December, 1933.

Atty. Juan Catano Flores, Director General of Industrial Property of the Secretariat of Economy, Certifies: that the registration of national trade-mark 33602 (Thirty-

three thousand six hundred two) called "Bulova" which covers watches and is the property of Mr. Sidney Steele; was published in the Gazette of Industrial Property for the month of December, 1933, on page 690 (Six Hundred ninety), in conformity with the provisions and legal requirements on the subject. . . . . .

Wherefore, this certificate is issued upon the position of the owner.

Mexico, D. F. January 24, 1950. J. Catano F.

. . . . . .

[fol. 386] APPELLEES' EXHIBIT T-3

Petition of Carlos H. Rojas, as agent and attorney-in-fact for George Kessel, acting for Bulova Watch Co. Inc., dated February 12, 1946, addressed to the Director of Industrial Property for a declaration of falsification, imitation and illegal use of the trade-mark "Bulova".

. . . . . .

Attorney Emilio Canseco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, Certifies: . . . . . .

That in suit for injunction number 2025/46, brought by the Bulova Watch Co. of New York against the acts of the Secretariat of National Economy and other authorities, there appears the following instrument which says: . . . . . .

. . . . . .

. . . . . .

On the left hand margin a rubber stamp which says: Feb. 12 '46.—Secretariat of National Economy.—General Administrative Office.—Registered Mail.—Tenth: In re: Study and report subject to payment of fees, time 15 days. 11-18-46.

. . . . . .

Director Of Industrial Property. . . . . .
Present. . . . . .

Carlos H. Rojas, attorney, 15 de Monte de Piedad, offices 416-18 where service of notices and receipt of documents may be made in the capacity of agent and attorney-in-fact [fol. 387] (apoderado) of Mr. George Kessel, as is proved

in File 29604 of Trade-marks, in which I file this petition, respectfully appears and says:

That within the period granted me by Official Communication 37-111/998, I come to petition the declaration of falsification, imitation and illegal use, as well as the nullity of the registration of the trade-mark "Bulova" issued by your Office under No. 33602 to Mr. Sidney Steele and Co., according to date to be found in File 5483, and whose domicile is No. 6 Avenue 5 de Mayo of this city, and the registration of said trade-mark in favor of my principal, in the terms of my petition presented before your Honorable Office on the 2nd day of January of the present year, basing my suit on the following facts and legal precepts:

Facts

I. Since the year 1886, Mr. Jose Bulova, manufacturer of watches, established himself in the City of New York, United States of North America, and for the better success of his business, formed the Bulova Watch Co., Inc., engaging in the manufacture of watches of all kinds which were known on the market as Bulova watches.

II. On June 3, 1924, it registered the name of its watches in the Patent Office of Washington, having paid the legal fees on said patent up to the present time.

III. On the 1st day of September, 1931, desiring to make its products known in the Mexican Republic in a more com- [fol. 388] mercial way, they being already known by occasional customers, the Bulova Watch Co., Inc., formulated an advertising plan for such purpose, contracting, among other advertising services, those of Radio Station XEQ of Cuidad Juarez, State of Chihuahua, Mexican Republic, but not having obtained the results which it hoped, it left the intensification of said campaign pending until such time as the market might justify its efforts.

IV. When such time arrived, it tried to obtain the registration of its mark in Mexico, only to discover that Mr. Sidney Steele had obtained the registration precisely of its exclusively owned trade-mark under the number and data mentioned in the previous paragraph, and that he was selling in Mexico some watches covered by the trade-mark Bulova which are spurious since they do not fulfill the requisites of manufacture and precision of the originals,

thereby committing the offense of falsification and defrauding the public.

V. The Bulova Watch Co., Inc., endeavoring to arrive at an understanding with said Mr. Sidney Steele, brought the matter before the Swiss Federation of watchmakers, a recognized and accepted world authority by all merchants in said specialty, which intervened in favor of my client, and it tried without success to have Mr. Steele suspend the manufacture of watches which he was making under the trade-mark Bulova. Things having arrived at this extreme, and owing to the protection which our laws give to him, my client has seen fit to proceed in the form and terms which I now do.

Law

I base my suit as to the merits on the provisions of Arts. 200 Section I, 105 Section IX, 190 and other relative [fol. 389] Articles of the Law of Industrial Property, and as to procedure on the provisions of Articles 229, 230 and 231 and other relative articles of the same Law insofar as refers to a declaration of falsification, imitation and illegal use. and its consequence of nullity of registration. And as to my application for registration of said trade-mark Bulova, on Arts. 63, 65, 66, 69, 73 and other applicable articles of the Regulations of the Law of Industrial Property, which requirites I have previously complied with as may be seen in the file in which I appear.

Proofs

In order to show my right and the facts which I have briefly set out, I attach to my present petition the following documents duly translated to Spanish:

(a.) Certified Copy of protocolization of the certificate made by the Patent Office of the Department of Commerce of the United States of North America of the trade-mark of the Bulova Watch Co., Inc.,

(b.) Photostatic copies of the contracts signed by Bulova Watch Co., Inc., with Radio Station XEQ of Cuidad Juarez, Chihuahua, Mexican Republic, dated September 1, 1931, and Oct. 24, 1932.

(c.) Photostatic copies and their translations of the radiograms and cablegrams exchanged between the Swiss Federation of Watch Manufacturers and Mr. Sidney Steele.

[fol. 390] (d.) Six photostatic copies of the authentic watches and the spurious watches, numbered in chronological order, numbers 1 to 4 corresponding to the spurious watches, and numbers 5 and 6 to the original.

(e.) I also petition your Honorable Office before notifying the defendant of the contents of the present petition, to appoint an Inspector for the purpose of making a visit to various Jewelry Stores of this city and prove the truth of my allegation with reference to the sale of imitations and counterfeits of the genuine Bulova watches by means of watches manufactured by Mr. Sidney Steele and covered by the same trade mark.

By reason of the above, I Respectfully Ask You, The Director Of Industrial Property:

I. To enter my appearance with the present petition and documents and copies which I attach, bringing suit with the personality which I have recognized in the file in which I present this petition against the firm of Sidney Steele & Company, with address at No. 6 Ave. 5 de Mayo, of this city, for a declaration of falsification, imitation and illegal use, and as a consequence thereof the nullity of the registration made in his favor by your Honorable Office and the registration in the name of my principal of the trade-mark "Bulova" in the terms which I have stated in the body of the present petition.

II. To appoint an Inspector of your Honorable Agency for the purpose of making a visit to various Jewelry Stores [fol. 391] before notifying the defendant of the contents of the present petition, for the purpose of proving the sale of spurious Bulova watches.

III. After the proper legal proceedings have been had, to declare administratively the falsification, imitation and illegal use of the trade-mark "Bulova" by Mr. Sidney Steele, the nullity of the registration which said person by stealth obtained from your Office and the new registration of said trade-mark in the name of my principal, Bulova

Watch Co., Inc., in the form and terms expressed in my application presented on January 2nd.

I protest the necessary

Mexico, D. F., February 12, 1946

Carlos H. Rojas,—Scroll

I further say: I base my suit also on the provisions of Art. 6 Bis. of the Decree which promulgates the Convention and Agreement signed between Mexico and various Nations on November 6, 1925.—According to said decree the signatory nations bound themselves to invalidate the registration of a trade-mark which should be a reproduction or imitation of another trade-mark in any of said signatory countries.

Likewise, I limit my suit only to the application for nullity of the registration, reserving the rights with respect to the declaration of falsification, imitation and illegal use of the trade-mark. Scroll."

* * * * * * *

[fol. 392] APPELLEES' EXHIBIT T-4

Answer of Vicente Mac-Gregor, agent and attorney-in-fact of Sidney Steele (dated March 26, 1946) addressed to the Director of Industrial Property, replying to the petition of George Kessel, agent and attorney-in-fact of Bulova Watch Co. Inc.

* * * * * * *

Attorney Emilio Canseco Noriega, First Secretary of the First District Court of the Federal District, in Administrative Matters, Certifies:

That in suit for injunction number 2026/46 brought by the Bulova Watch Co. Inc. of New York against the acts of the Secretariat of National Economy and other authorities, appears the following instrument which says:

* * * * * * *

On the left hand margin a rubber stamp which says: Secretariat of National Economy.—General Administrative Office.—March 27, 1:00 P. M. '46.—Correspondence Section.—Received.—Tenth.—In re: Study and report. Time 15 days 1—IV 1946.

Citizen Director Of Industrial Property.

Vicente Mac-Gregor, attorney, with office at 1101 No. 9 Calle de San Juan de Letran (which I give to receive notices) of this city, with the character (which I show by the letter power-of-attorney which I attach) of agent and attorney-in-fact of Mr. Sidney Steele, transferee of the rights of Sidney Steele & Co. (this fact I prove by an attested [fol. 393] copy which I ask be made at my cost of the certification of October 17, 1935, inserted on the reverse of the corresponding title of the trade-mark called "Bulova", whose number is 33602, issued in favor of Sidney Steele & Co., the title which appears in File 5483 relative to the proceedings of the registration of said trade-mark; the certification above mentioned states that the transfer of the ownership of the said mark to Mr. Sidney Steele was recorded in Record Book No. 55, answering the petition of Mr. George Kessel, agent and attorney-in-fact of the Bulova Watch Company, Inc., seeking a declaration of the falsification, imitation, illegal use and nullity of the mark above mentioned, and that the trade-mark Bulova be registered in favor of the plaintiff, before you respectfully say:

That I deny the aforesaid petition in all its parts on account of the facts and law which I expound, as follows:

I. The declaration of imitation or illegal use of the trade-mark referred to does not lie (in accordance with Article 198 of the Law of Industrial Property), because, in order that such declaration may lie, the plaintiff must have proved within the period of three years to which the article above cited alludes, that such mark has not been used in the manner in which it was registered, and not only did he not prove it, but he did not even attempt to prove such fact, since if he had attempted to offer such proof he would have failed, as such attempt would have been one of proving a false fact.

II. The declaration of nullity of the registration of trade-[fol. 394] mark 33602 does not lie, (in accordance with Article 6 Biz. of the Mexico and various nations on mulgated, signed by Mexico and various nations on November 6, 1925) because the cancellation of said mark was not sought within the period of three years counted from the date of the registry of the said trade-mark.

In fact, the trade-mark in question was registered on October 25, 1933, (as appears from the title corresponding to that trade-mark, which is in file 5483 relative to the same trade-mark, of which title I ask that an authenticated copy be made at my cost); and the cancellation of said trade-mark is sought by means of the petition which I am answering, which petition is dated February 12th of this year.

III. The declaration of nullity of the registry of the said trade-mark does not lie (in accordance with Articles 198, 200 Section II in relation to Articles 100 and 201, Section III of the Law above mentioned), because the plaintiff did not present his petition for registration to the Secretariat of National Economy within the three years after the registration whose nullity is sought was published in the Gazette of Industrial Property. In fact: the registration of trade-mark 33602 was published on page 690 of number 12 corresponding to the month of December of the 5th year of the aforesaid Gazette. I exhibit a copy of said number.

IV. Moreover, I also say: that neither does the declaration of nullity of trade-mark 33602 lie in accordance with the final portion of said Section II of Art. 200, because the plaintiff did not use the trade-mark Bulova during the three [fol. 395] years to which that Section refers, as it only executed a contract for a year with Radio Station XEQ of Ciudad Juarez, Chi., (as it affirms, without proving it, since the photostatic copies without a certification of authenticity with the originals prove nothing); and the use which the plaintiff pretends to have made of the trade-mark Bulova consists of the announcement to which said contract refers. In any event, the plaintiff only alleges to have used the trade-mark in question in Mexico for a maximum period of one year, and this fact, even should it be true, would not give it any rights.

V. Inasmuch as the declaration of the nullity of trade-mark 33602 does not lie, (in accordance with the last paragraph of Section III of said Article 201, interpreting that paragraph in a "contrary sense" and in accordance with Section XIV of Article 105), neither does the registration of the trade-mark Bulova in favor of the plaintiff lie.

VI. The plaintiff (even admitting for the sake of argument that it may have used it for a year before the registration made in favor of Sidney Steele and Co. of the trade-

mark Bulova) cannot continue using that mark, because the said plaintiff did not use the said mark after the date of the publication of the said registration.

By reason of the above, Citizen Director Of Industrial Property.

I Respectfully Ask You:

I. To consider the petition answered as above set out, that is to say, denying it in all its parts [fol. 396] and applying to same the exceptions derived from the facts and juridical principals above enumerated.

II. To hold as proven the peremptory defenses of prescription and others opposed in this answer.

III. To resolve that the declaration of falsification, illegal use and nullity of registration made in favor of Sidney Steele & Co. of trade-mark 33602 called Bulova, does not lie.

IV. To resolve that the registration of the trade-mark Bulova in favor of Mr. George Kessel, or of his principal, Bulova Watch Company, Inc., does not lie.

V. To resolve that neither the plaintiff nor his principal may use or continue to use (if they have ever used it) the trade-mark Bulova within the Mexican Republic.

VI. To give orders to the Inspectors of the Secretariat of National Economy that they cease and desist from making visits to the watch stores, Jewelry stores, etc., of this city and of the Mexican Republic, for the purpose of proving (as claimed by plaintiff) the falsification, imitation and illegal use of the trade-mark Bulova.

I protest the necessary.

Mexico, D. F., March 26, 1946.

Atty. Vicente Mac-Gregor.—Scroll.—Attached: Letter Power of Attorney and Copy of the Gazette of Industrial Property of December, 1933.—VMG/erc.

* * * * * * *

[fol. 397] APPELLEES' EXHIBIT T-5

Amplification of petition of Carlos H. Rojas to the Director of Industrial Property dated April 9, 1946, in behalf of Bulova Watch Co. Inc., wherein additional reasons for the

nullity of the registration of the trade-mark "Bulova" are set forth.

* * * * * * *

Attorney Emilio Canseco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, Certifies:

That in suit for injunction (juicio de amparo) number 2025/46 filed by the Bulova Watch Co. Inc. of New York against acts of the Secretariat of National Economy and other authorities, there appears the following instrument which says:

* * * * * * *

Secretariat of National Economy.—General Office of Administration.—Ap. 10—105 P. M. '46.—Tenth. In re: Study and report. Period 15 days. IV-16-46.—On the upper right hand margin a seal which says: Registration No. 7126.

Director Of Industrial Property.

Present.

I, Carlos H. Rojas, in my capacity as accredited in the proceedings, respectfully appear and say:

That in the investigation being carried out on account of the suit for nullity of registration of the Com-[fol. 398] mercial Trade-Mark "Bulova" of Mr. Sydney Steele, new information has appeared, which, in accordance with that which the Law of Industrial Property establishes, must be a cause of nullity of said registration.

In effect, among the proofs presented by me to prove the bad faith with which my opponent proceeded to obtain the registration in his name of the trade-mark for Bulova watches, known throughout the world for more than forty years, appear various cables and telegrams, photostatic copies of which are in the file of the case under consideration, exchanged between Sydney Steele and the Confederation of Watchmakers of Switzerland, an organization that has world-wide recognition by the manufacturers of watches.

Said telegrams which have been admitted as proofs and not objected to by my opponent, state in a conclusive way

that Mr. Steele "Never Has Received Watches Nor Imported Watch Parts From Switzerland," as said gentleman affirms.

Upon making application for the registration of the trademark Bulova Mr. Steele stated to your Honorable Office that the Republic of Switzerland was the place of origin of the watches which he desired to cover with said trade mark, as well as the location of the factory of the same.

As is seen, Mr. Steele stated an untruth upon furnishing data in his application for registration of the trade-mark, and in conformity with the provisions of Section IV of Art. 200 of the Law of Industrial Property, the registration of a [fol. 399] trade-mark will be null if it contains false information with respect to the origin of the effects which it covers or the location of the factory, that is to say, Precisely The Cause of which my opponent is liable, independently of those which I set forth in my original petition.

For the purpose of proving the authenticity of my statement, I have already addressed myself to the Confederation of Watchmakers of Switzerland, with the result that they confirm my allegation in indubitable legal form, and I hold myself ready to present in due time the statement which the Confederation may issue to me.

The above facts are sufficient to declare the nullity of the trade-mark, within the provisions of Section IV of Art. 200 of the Law, which I ask from your general office, as an amendment to the points which I made in my petition of February 12th last, and on the understanding that as soon as it is possible for me to obtain the statement which I have requested of the Swiss Confederation, it will be exhibited with the present petition to my opponent for the legal effects, my petition being in order and in time, as no resolution has as yet been announced in the present matter.

Mexico, D. F., April 9, 1946.—Scroll.

* * * * * * * *

APPELLEES' EXHIBIT T-6

Opinion of the Legal Department of the Mexican Secretariat of National Economy, addressed to the Director General of Industrial Property, dated August 23, 1946, in which [fol. 400] opinion such legal department considers that the

petition of Mr. George Kessel for nullity of the trade-mark "Bulova" does not lie.

* * * * * * *

Attorney Emilio Canseco Noriega, Clerk of the First District Court of The Federal District in Administrative Matters, Certifies:

That in suit for injunction (juicio de amparo) number 2025/46 filed by the Bulova Watch Co. Inc. of New York against the acts of the Secretariat of National Economy and other authorities, there appears the following instrument which says:

* * * * * * *

United Mexican States.—Federal Executive Power.—Mexico, D. F.—Secretariat of National Economy.—Annexed: File No. 33602.—Trade-mark.—"Bulova."—Reg. 2443.

* * * * * * *

Agency: Legal Department.—Section.—Desk.—Number of Official Communication: 1515.—File; 38/301.2 (5) 615. Subject: Report is made as to whether the nullity of national trade-mark 33602 called "Bulova" does or does not lie.

* * * * * * *

Mexico, D. F., August 23, 1946.

Director General Of Industrial Property.

Present.

By order of the Chief Clerk, there was remitted to this Legal Department Official Communication 17777 [fol. 401] of the Office of the Director General of Industrial Property in which an opinion was asked of this Legal Department by the Director General as to whether the application presented by Mr. Carlos H. Rojas, as agent and attorney in fact for Mr. George Kessel, for an administrative declaration of falsification, imitation, illegal use of registration of the trade-mark "Bulova" does or does not lie.

First. The facts upon which the petition is based are as follows:

(A.) That in the year 1886, Mr. Jose Bulova, manufacturer of watches, established himself in the City of New York, and formed the Bulova Watch Company, Inc., engaging in the manufacture of watches which were known in the trade with the name of "Bulova" watches.

(B.) That on June 3, 1924, it registered in the Patent Office of Washington the name of its watches.

(C.) That on September 1, 1931, for the purpose of making its products known in the Mexican Republic, it contracted, among other advertising services, those of radio station XEQ of Ciudad Juarez.

(D.) That it endeavored to obtain the registration of its trade-mark in the Mexican Republic, but found that Mr. Sidney Steele had obtained the registration of the trade-mark "Bulova" and that he sold watches covered by said trade-mark in Mexico, which were spurious, because they did not fulfill the requisites of manufacture and precision of the originals, which involved the commission of the crime of falsification and fraud of the public.

[fol. 402] (E.) That endeavoring to arrive at an understanding with Mr. Steele, the Bulova Watch Co., Inc., brought the matter before the Swiss Federation of Manufacturers of Watches, an authority known and accepted throughout the world by all merchants, which intervened without success to have Mr. Steele desist from the manufacture of watches which he was making under the trade-mark "Bulova"

Basing its action on Articles 200, Section I, 105 Section IX, 190, 229, 231, and other related articles of the Law of Industrial Property and 63, 65, 66, 69, 73 and others applicable, of the Regulations of the Law of Industrial Property, it petitioned, as previously stated, for a declaration of falsification, imitation and illegal use, and as a consequence the nullity of the registration of the trade-mark 33602 "Bulova."

2nd: Service was had in the case, and the answer of Mr. Vicente Mac-Gregor, agent and attorney-in-fact for Mr. Steele, was received on the 26th day of March last, opposing the petition of Mr. George Kessel.

The facts and arguments presented by the attorney for Mr. Steele are as follows:

(A.) That a declaration of imitation or illegal use of the trade-mark "Bulova" does not lie, because in accordance with Article 198 of the Law of Industrial Property, in order that such declaration may lie, the plaintiff must prove within a period of three years that the trade-mark has not been used in the manner in which it was registered.

[fol. 403] (B.) The declaration of nullity of the registration of the trade-mark "Bulova" does not lie also because, in accordance with Article 6 of the Decree which the Convention promulgated signed between Mexico and various nations on the 6th of November, 1925, the declaration of nullity of the registration of the trade-mark was not filed within the period of 3 years, counted from the date of the registration.

(C.) The declaration of nullity does not lie in accordance with Article 198, 220, Section II, related to 100 and 201, Section III, of the Law of Industrial Property, because Mr. George Kessel did not present his application for registration to the Secretariat of National Economy within the period of three years after the registration sought to be annulled was published in the "Gazette" of Industrial Property.

(D.) The nullity of the trade-mark does not lie further in accordance with the final part of Section II of Article 200 of the Law of Industrial Property, because the defendant did not use the trade-mark "Bulova" during the three years to which the precept cited refers, as it only entered into a contract for one year, as it affirms, with radio station XEQ of Ciudad Juarez, and as the nullity of trade-mark 33602 does not lie, neither does the registration of the trade-mark "Bulova" lie in favor of Mr. Kessel.

(E.) Finally, Mr. Kessel cannot continue to make use of the trade-mark "Bulova" in Mexico.

Note:

1. Translator's note: The Spanish word "demandado" means defendant. It is believed that this word is a mistake, [fol. 404] and the word "demendante" meaning plaintiff, was intended.

3rd. The requisites established by law having been satisfied, and the corresponding study of the case made, in the opinion formulated by the Chief of Desk 10 of the Office of the Director of Industrial Property, Mr. Eduardo

Ortiz Delfin, the conclusion was arrived at that the causes of action attempted by Mr. George Kessel in his writing of February 2, 1946, did not lie, because the arguments presented by Mr. Steele were correct.

4th: While the case was pending, a new application of Mr. George Kessel was presented amending his suit. The amendment consisted in a demand for nullity of the trade-mark "Bulova" on account of considering it within the provisions of Article 39, Sections I and V of the Law of Trade-Marks of 1928

Mr. Steele answered the last pleading, opposing a declaration of nullity, alleging, as a fundamental reason, that there existed a violation of essential procedural laws, inasmuch as an amendment of the petition was filed when the matter was ready for decision, and because independently thereof, the provisions cited were not applicable nor was there any cause for a declaration of nullity.

As this Legal Department of the Director General is in conformity with the proposed ruling with respect to the cause of action alleged in the first pleading of Mr. Kessel of February 12 of the present year, that is, this Legal Department considers that for the reasons stated in the opinion of Mr. Ortiz Delfin, the alleged actions do not lie, [fol. 405] there remains only for examination the subject of the amendment of the petition.

5th: Now the question raised is the petition for nullity of the trade-mark 33602 "Bulova" a registration made in favor of Mr. Steele, insofar as in the application of Mr. Steele false statements with respect to the original of the watches which carried the trade-mark "Bulova" were made, as in the application it says that the factories which produced the watches covered by the trade-mark "Bulova" are located in Switzerland.

(A.) The trade-mark "Bulova" was registered in favor of the firm of Sidney Steele and Co. it later having been transferred to Mr. Steele.

(B.) Sidney Steele and Co. stated in the application that the trade-mark "Bulova" would be applied to watches; that the owner would be the firm of Sidney Steele and Company, with domicile at house number 6 of the Ave. Cinco de Mayo, that the domicile of the commercial establishment that would sell the article was the same house number 6 of

the Ave. Cinco de Mayo, and that the factories which would produce the watches covered by the trade-mark were located in Switzerland.

(C.) It can be deduced from the proofs presented that the watches which Mr. Steele sells with the trade-mark "Bulova" are not manufactured in Switzerland, because there are telograms sent by the Swiss factories from which it may be inferred that watches with the trade-mark "Bulova" have not been manufactured.

[fol. 406] (D.) Under these conditions, in order to support the suit for the nullity of the trade-mark "Bufova", Section I and V of Article 39 of the Law of Trade-Marks of 1928 in force at the time when the trade-mark was issued, are cited.

Said Sections say:

"Article 39.—The registration of a trade-mark is null:

I. Whenever it may have been made in violation of the provisions of this Law or of those which may have been in force at the time of registry.

V. Whenever the trade-mark contains false statements with respect to the origin of the articles which it covers, location of the industrial and commercial establishment or of the owner of the trade-mark, and with respect to medals, diplomas or prizes which have not been obtained, or when a false declaration of the date on which the use of the mark was commenced may have been made."

(E.) Taking into consideration the provisions of the articles previously cited, it is affirmed in the petition of Mr. Kessell referred to that, inasmuch as a false statement about the location of the industrial establishment was made, that is, of the factory which would produce the watches, since it was said that such factories were located in Switzerland, it was in order to declare the nullity of the trade-mark.

6. This Legal Department holds that the suit for nullity does not lie (no es procedente), for the following reasons.

[fol. 407] (A.) The trade-mark 33602 "Bulova" was registered under the protection of the Law of Trade-marks of 1928 and, consequently, it must be judged at the outset in conformity with the provisions of said Law.

(B.) Article 9 of that Law says:

"Article 9. In order to obtain the registration of a trade-mark, there must be presented to the Department of Industrial Property an application accompanied by the following: .....

I. A description of the trade-mark, concluding with the reservations which may be made of it, and in accordance with the form and conditions provided by the Regulations of this Law. .....

II. Two copies of the preceding document. .....

III. A cliche of the trade-mark. .....

IV. Twelve copies of the reproduction of this cliche.

V. *T* statement of the date on which the use of the trade-mark was commenced. .....

VI. The tax relative to the examination of the application. .....

As is seen said precept did not exact that any declaration with respect to the location of the producing factories of the objects should be made. .....

[fol. 408] However, Article 1, Section (f) of the Regulations of that Law provides that in order to obtain the registration of a trade-mark a petition must be presented, containing among other information that relative to the location of the factory where the objects are elaborated to which the trade-mark was to be applied.

(C.) Now Section V of Article 39 of the Law of 1928 decrees the nullity of a trade-mark when it contains false statements with respect to the origin of the effects which it covers, the location of the industrial or commercial establishment or of the owner of the trade-mark. This precept clearly indicates that in order to declare the nullity of a trade-mark it is indispensable that the trade-mark itself contain false indications with respect to the location of the industrial or commercial establishment in which the objects are produced. The furnishing of false data in the application for registration of a trade-mark, and the fact that the trade-mark itself which is what is exhibited to the public, may contain false data, are two radically distinct concepts. In the first supposition, it is only the Secretariat of National Economy which may be induced to err; but on the other hand, in the second, the public as a whole is deceived. Section V of Article 39 of the Law of 1928 evidently refers to

the second of the two concepts, that is, it decrees the nullity of a trade-mark when it contains false information with respect to the location of the industrial establishment which produces the objects. This must be so, as the same Section V of Article 39 decrees the nullity of a trade-mark when there may have been made a false declaration as to the date on which its use was commenced, that is, the first paragraphs of the Section refer to nullity on account of false data [fol. 409] which the trade-mark itself may contain, whereas the final paragraph speaks of nullity on account of false information furnished; and the difference between the two concepts is confirmed inasmuch as in the first paragraph it is the public which is deceived, whereas, in the latter, the public knows nothing because the statement as to the date on which the use of the trade-mark was commenced is not brought to its knowledge.

(D.) The conclusions reached in the preceding clause are confirmed upon consideration of Section I of the said Article 39 of the Law of 1928: In effect, this Section says that the registration of a trade-mark is null when it may have been made in violation of the provisions of the Law; but the Law does not require that the location of the establishments in which the objects covered by the trade-mark must be manufactured, be indicated in the application for registration. That is to say, Section I of Article 39 could not serve as a basis to declare the nullity of the trade-mark, because in no event have any provisions of the Law been violated.

The consideration of said Section I of Article 39, jointly with the circumstance that the Law did not require any statement with respect to the origin of the objects covered by the trade-mark, shows that Section V of Article 39 can only be understood in the sense that a trade-mark is null when the trade-mark itself, that is, the label affixed to the objects, contains false information, because then nullity is declared as a penalty on account of the fraud of which the public is made a victim.

[fol. 410] (E.) Nullity is of strict law, and it lies under the provisions of Article 8 of the Civil Code of the Federal District applicable in Federal matters, in respect of acts committed against the tener of prohibitive laws or the pub-

lic interest. This precept of the Civil Code indicates, in relation to Section I of Article 39 of the Law of 1928, that a trade-mark is only null when it may have been registered in violation of the provisions of the Law or when it violates any precept of public order. In this case there did not exist in the Law any provision at all with respect to the necessity of stating in the application for registration the place of the location of the factory, and still less was there any precept which might prohibit the registration of the trade-mark on account of the absence of any statement or of falsity thereof. In order that nullity may lie, it is indispensable that the law exact that requisite, and it must be provided that a trade-mark cannot be registered when the application does not contain a statement as to the location of the factory or when such statement were false.—The same Section I of Article 39 of the Law again confirms the interpretation here being given to Section V, as in the latter, upon declaring the nullity of a trade-mark for containing a false statement it was taken into account that fraud on the public is an illegal act punished by the Civil Law, as well as by the Penal Law, and that therefore one who acted with such disloyalty in deceiving the public could not be authorized to continue using the trade-mark object of the fraud.

(F.) It is true that in the Regulations of the Law of 1928, as was previously expressed, indication of the places where the factories which produced the objects were located was required; but the Regulations can never go beyond what the law provides, and cannot exact a requisite not [fol. 411] established in the Law under the penalty of nullity. But even if it were not so, it should be recalled that there is no precept which declares the nullity of a trade-mark for not having satisfied some requisite contained in the Regulations and which is not found in the Law, as Section I of Article 39 of the Law decrees only the nullity of trade-marks when the registration may have been made in violation of the provisions of the law.

7th. It is furthermore in order to make another finding to avoid any mistake the present Law of Industrial Property, in Article 200, Sections I and IV, reproduced the provisions contained in Article 39 of the Law of 1928, and conserved substantially the provisions of said Law of 1928 with

reference to the data which must be furnished in the application for registration.

Article 116 of the Law in force says only that in the application for registration of a trade-mark the location of the establishment of the owner of the trade-mark must be indicated, but the Law does not indicate that the place of origin of the said products must be stated. On the other hand, Article 65, Section I of the Regulations requires, besides the indications contained in said Article 116 of the Law, a statement as to the location of the factory where the products are made. From this it is inferred that the nullity of a trade-mark cannot either be declared, in accordance with the provisions of legislation in force, when there may be a false statement as to the place where the producing factories of the objects are located.

8th. Some final additional considerations show, in the opinion of this Legal Department in a definitive form, the [fol. 412] correctness of the thesis which is being sustained.

In the first place, it is possible that the place of location of a factory may change, and it would be contrary to elementary principles of Law if the nullity of a trade-mark should be declared solely on account of the change of location of a factory. Naturally, we are referring to a case in which the trade-mark itself does not contain any indication with respect to the origin of the products; thus for example, if upon applying for the registration of a trade-mark it is indicated that the factory is located in some country in South America, but the trade-mark itself does not say anything with respect to the origin of the products in such manner that the public is not advised as to the place of origin, no reason whatsoever can be found to declare the nullity of said trade-mark on the ground that the products were manufactured in another country.

On the other hand, trade-marks cover products and serve to distinguish them from others, and their nullity only is understood in accordance with the universal doctrine, when a previous trade-mark exists, or when the trade-mark contains false indications which may induce the public to error.

In conclusion, the same trade-mark can cover objects produced in factories located in various places or countries

and if the same trade-mark does not have any indication with respect to origin in such manner that it could be thought that all of the products proceed from the same place, there would be no objection to the issuance of the registration of the trade-mark. It is certain that there is no untruth in [fol. 413] the declaration, but, in any event, there may be much variety in the places of origin of the products, and that, said origin, in reality does not have any import. Nullity, we repeat, is of strict law. It must be used with the greatest caution, because judicial order seeks to protest acts done under its shelter, and, as the Civil Code says, it is only when prohibitive laws and the public interest are violated that nullity lies. Nullity is a penalty whose effects are total, because it destroys the act as if it had never existed, and precisely because of this character it cannot be declared except under the express provisions of the law. But it does not appear advisable to give to the precepts on nullity a greater extension than that which is covered by good reasoning, in accordance with the letter of the Law.

9th. On the other hand, in the light of the thesis advanced, this Legal Department deems that it is unnecessary to occupy itself with the question as to whether it was or was not proved that in effect the watches which Mr. Steele sells with the trade-mark "Bulova" are not manufactured in Switzerland.

In general terms, the proofs presented are not definitive because, if it is true that in the correspondence exhibited it appears to be shown that watches with the trade-mark "Bulova" are not manufactured in Switzerland, nevertheless it is not proved that the watches which Mr. Steele sells do not proceed from Switzerland, because it is even possible that the watches come from Switzerland without trade-mark and that the trade-mark is put on them afterwards by Mr. Steele. But, we repeat, this problem of proof does not [fol. 414] affect the ruling in this matter, because even though it should have been proved that in fact the watches do not proceed from Switzerland, still the declaration of nullity would not lie on account of all that has been said above.

By reason of all the foregoing, this Legal Department considers that the Petition of Mr. George Kessel for nullity

of the trade-mark "Bulova" on the ground that there existed a falsity in the declaration of the place of location of the factory, does not lie.

Attentively.

Effective Suffrage. No Re-Election.—The Director.—LIC. Mario de la Cueva.—Scroll.

MDLC/euc/sal.

On the left hand margin written in handwriting it says: August 30/46.—Order. Approved: Let notice be given of the ruling by the Office of the Director General of Industrial Property in the terms of this Opinion.—By Order of the Secretary.—The Chief Clerk.—Scroll."

* * * * * * *

APPELLEES' EXHIBIT T-7

Ruling of the Director General of Industrial Property denying the declaration of nullity of National Trade-mark 33602 called "Bulova."

* * * * * * *

Citizen Attorney Emilio Canseco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, Certifies:—

[fol. 415] That in suit for injunction number 2025/46 filed by the Bulova Watch Co. Inc. of New York against acts of the Secretariat of National Economy and other authorities, there appears the following instrument which says:

Official Communication.—On the upper left-hand margin a seal with the National Shield at the center of which it says: Executive Federal Power, Mexico, D. F., United Mexican States.—Secretariat of National Economy.—On the upper right-hand margin a square which says: Dir Gen of Industrial Property. Trade-mark Office.—Section: Chief Clerk's Office.

Desk.—Number of Communication: 37-III-21473.—File:—Trade-Mark No. 33602. Ruling No. 1335 Bis.—In the center; Subject: Declaration that the administrative application for nullity of national trade-mark 33602 called "Bulova" does not lie. To Atty. Carlos H. Rojas.—

Rep. of Mr. George Kessel. Monte de Piedad 15, Office 416-18.—City. By petition dated the 12th of last February, you requested this Agency for an administrative declaration of nullity of national trade-mark 33602 called "Bulova". You attached various photostatic copies of documents on which your cause of action was based. Thereafter you amended your petition basing it also on Section IV of Art. 200 of the Law which governs the subject.

The facts upon which you support the suit are as follows:

a. That in the year 1886, Mr. Jose Bulova, manufacturer of watches, established himself in the City of New York, and formed the Bulova Watch Co., the latter engaging in [fol. 416] the manufacture of watches which are known in the trade under the name of Bulova.

b. That on June 3, 1924, the name of its watches was registered in the patent office in Washington.

c. That on September 1, 1931, it contracted the advertising services, among others, of Radio Station XEQ of Cuidad Juarez, Chih., with the desire to make its products known in the Mexican Republic.

d. That it endeavored to obtain the registration of its trade-mark in the Mexican Republic, but it discovered that Mr. Sidney Steele had obtained the registration of the trade-mark "Bulova," and that he sold watches covered by said trade-mark in Mexico, which were spurious, on account of not fulfilling the requirements of manufacture and precision of the originals, thereby being guilty of the crime of falsification and fraud on the public.

e. That endeavoring to arrive at an understanding with Mr. Steele, the Bulova Watch Co. Inc. brought the matter before the Swiss Federation of Watchmakers, an authority known and accepted throughout the world by all merchants, which authority, although it intervened in the matter was unable to have Mr. Steele cease and desist from the manufacture of watches which he makes under the trade-name "Bulova." Basing your action on Article 200, Section I, 105 Section IX, 190, 229, 231, and other related articles of the Law of Industrial Property, and on Articles 63, 65, 66, 69, 73 and other applicable of the Regulations of the said Law, you petitioned, as previously

stated, for a declaration of falsification, imitation and ille-
[fol. 417] gal use, and as a consequence, the nullity of the registration of the trade-mark 33602 "Bulova."
Service was had in the case, and the answer of Mr. Vicente Mac-Gregor, agent and attorney-in-fact for Mr. Steele, was received on the 26th of March last opposing your petition.

. . . . . .

The facts and arguments presented by the attorney for Mr. Steele are as follows: . . . . . .

a. That a declaration of imitation or illegal use of the trade-mark "Bulova" does not lie, because in accordance with article 198 of the present Law of Industrial Property, in order that such action may lie, the plaintiff must prove within a period of three years that the trade-mark has not been used in the manner in which it was registered.

b. That the declaration of nullity of the registration of the trade-mark "Bulova" does not lie also because, under article 6 of the Decree which the Convention promulgated, signed between Mexico and various nations on November 6, 1925, declaration for nullity of the registration of the trade-mark was not sought within a period of three years counted from the date of its registration. . . . . .

c. That a declaration of nullity does not lie, in accordance with Article 198, 200, Section II, related to 199 and 201, Section III of the Law of Industrial Property, because you did not present your petition for registration to this Department within three years after the publication of the registration sought to be annulled in the Gazette of Industrial Property. . . . . .

[fol. 418] d. That a declaration of nullity of the trade-mark does not lie further on the basis of the final part of Section II of Article 200 of the Law of Industrial Property in force because you did not use the trade-mark "Bulova" during the three years to which the precept cited refers, as you only entered into a contract for one year, according to your own allegations, with Radio Station XEQ of Cuidad Juarez, Chih., and since the nullity of trade-mark 33602 does not lie, neither does the registration of the trade-mark "Bulova" in your favor. . . . . .

e. Finally, the owner of trade-mark 33602 alleges that you have not been making use of the trade-mark "Bulova" in Mexico.

Subsequently, and after the pending matter was ready for decision, you amended your petition, claiming that the basis for nullity of the trade-mark "Bulova" is to be found in the provisions of Article 39, Sections I and V of the Law of Trade-Marks of 1928.

Mr. Steele answered the last pleading opposing a declaration of nullity, and alleged as a fundamental reason that a violation of mandatory procedural laws had been committed by the filing of an amended petition when the matter was ready for decision, and because, independently of this consideration, the provisions cited were not applicable and neither was there a cause for a ruling of nullity.

The requisites established by the law on the subject having been satisfied, a study of the case was made with the following result:

National Trade-Mark 33602 called "Bulova" was registered on the legal date of October 25, 1933, in favor of [fol. 419] Steele & Company, to cover watches. A transfer thereof to Sidney Steele was registered on October 17, 1935.

Art. 2. Transitory of the Law of Industrial Property in force recognizes, in favor of trade-marks registered under the protection of prior laws, the validity which said former laws declare; and by virtue thereof, it is admitted that the provisions of the law of Trade-Marks of 1928 in force at the time are applicable to registration 33602.

Art. 39, Section I of the Law cited established that the registration of a trade-mark is null "when it may have been made contrary to the provisions of this Law . . ."

As is indicated in the petition of the attorney for Mr. Sidney Steele, Articles 198, 200, Section II, 201, Section III of the Law in force, and 6-Bis of the Convention of the Union of Paris, have no application with reference to the Protection of Industrial Property; but as Articles 39, Section II of the Law of Trade-Marks of 1928 and 78 of its Regulations contain identical provisions to those of Articles 200 and 201 cited and Article 2 Transitory, already cited, they must be taken into consideration.

The registration of national trade-mark 33602 does not so far fall within the provisions of Section II, of Article 39 of the Law of trade-marks of 1928, since the period of three years conceded to petition for nullity when a trade-mark has been previously used, has already expired.

Neither is the registration of trade-mark 33602 within the provisions of Article 78 of the Regulations of that Law, as the period of three years which said Article establishes has likewise elapsed, and the uninterrupted use of said trade-mark has not been proved.

[fol. 420] Article 6 Bis. of the Convention of the Union of Paris concedes to the signatory countries the faculty of opposing or invalidating the registrations of trade-marks notoriously known in our country, which may be a reproduction or imitation of another trade-mark belonging to a person within the jurisdiction of another country.

The proofs rendered do not carry the conclusion that the trade-mark "Bulova" was notoriously known in this country on the date of the registry of such trade-mark.

Article 198 means that a declaration of imitation or illegal use of a trade-mark used in the manner in which it was registered may not be solicited, but that the nullity of the registration must be proceeded with under the provisions of the articles above cited.

Now, the question raised, that is to say, the petition for nullity of trade-mark 33602 "Bulova," a registration made in favor of Mr. Steele, is reduced to the question that false information with respect to the place of origin of the watches which carry the trade-mark "Bulova" was given in the application of said Mr. Steele, as in his application it is recited that the factories which make the watches covered by the trade-mark "Bulova" are located in Switzerland.

With reference to what is alleged in the previous paragraph, the following points should be considered:

a. The trade-mark "Bulova" was registered in the name of the firm of Sidney Steele and Co., it later having been transferred to Mr. Sidney Steele.

[fol. 421] b. Sidney Steele and Co., stated in the application that the trade-mark "Bulova" would be applied to

watches; that the owner would be the firm of Sidney Steele & Co., with domicile at No. 6 Avinida Cinco de Mayo; that the domicile of the commercial establishment which would sell the article was the same address of No. 6 Avenida Cinco de Mayo and that the factories which would produce the watches covered by the trade-mark were located in Switzerland.

c. It can be deduced from the proofs presented that the watches which Mr. Steele sells with the trade-mark "Bulova" are not manufactured in Switzerland, because there are telegrams sent by the Swiss factories from which it may be inferred, as has been said above, that watches with trade-mark "Bulova" have not been manufactured.

d. Under these conditions you cite Sections I and V of Article 39 of the Law of trade-marks of 1928 in force at the time when the trade-mark was issued, in order to support the suit for the nullity of the trade-mark "Bulova."

Said paragraphs say:

"Article 39. The registration of a trade-mark is null:

I. When it may have been made in violation of the provisions of this Law or of those which may have been in force at the time of its registry . . . V.—When the trade-mark contains false statements with respect to the origin of the objects which it covers, the location of the industrial and commercial establishment or of the owner of the trade-mark, or with respect to medals, diplomas or prizes which may not have been obtained, or when a false declaration may have [fol. 422] been made as to the date on which the use of the trade-mark was commenced."

e. Taking into account the provisions of the articles above cited, it is affirmed in your petition that although a false statement was made with reference to the location of the industrial establishment, that is the factory which would produce the watches, and although it is said that said factories were located in Switzerland, it is nevertheless in order to declare the nullity of the trade-mark.

With respect to the above, it is proper to make the following observations:

a. The trade-mark 33602 "Bulova" was registered under the protection of the Law of Trade-Marks of 1928, therefore, it must first be judged in conformity with the provisions of the said Law.

b. Article 9 of that Law says:

"Article 9. In order to obtain the registration of a trade-mark, an application must be presented to the Department of Industrial Property accompanied by the following:

I. A description of the trade-mark, expressing with it the reservations which may be made of it, and in accordance with the form and conditions provided by the Regulations.

II. Two copies of the above document.

III. A cliche of the trade-mark.

[fol. 423] IV. Twelve copies of the reproduction of this cliche.

V. A statement of the date on which the use of the trade-mark was commenced.

VI. The tax relative to the examination of the application."

As is seen said precept did not require that any statement should be made with respect to the producing factories of the objects.

Without doubt Article 1, Section F, of the Regulations of the Law says that in order to obtain the registration of a trade-mark an application must be presented containing, among other information, that relative to the location of the factory where the objects to which the trade-mark is to be applied are manufactured.

c. Now, Section V of Article 39 of the Law of 1928 decrees the nullity of a trade-mark when it contains false statements with reference to the origin of the effects which it covers, the location of the commercial or industrial establishment or of the owner of the trade-mark. It is manifest from this precept that in order to declare the nullity of a trade-mark it is indispensable that the trade-mark itself contain false information with respect to the location of the industrial or commercial establishment in which the objects are produced. Furnishing false data in the application for registration of a trade-mark, and the fact that the trade-

mark itself, which is exposed to the view of the public, may contain false information, are two radically distinct concepts. As to the former, it is only this Secretariat of National Economy which can be induced to err, but on the [fol. 424] other hand as to the latter, the entire public results in being defrauded. . . . . .

Section V of Article 39 of the Law of 1928 evidently refers to the second of the above concepts, that is, it decrees the nullity of a trade-mark when it contains false information with respect to the location of the industrial establishment which produces the objects. This must be so; as the said Section V of Article 39 decrees the nullity of a trade-mark when a false statement of the date on which the use thereof is commenced may have been made, that is, the first paragraphs of the Section refer to nullity on account of false data which the trade-mark itself may contain, inasmuch as the final paragraph speaks of nullity on account of the falsity of information furnished; and the difference between the two concepts is confirmed, as in the first paragraphs it is the public which is deceived, whereas in the latter the public knows nothing because the statement as to the date on which the use of the trade-mark is commenced is not brought to its knowledge. . . . . .

d. The conclusions reached in the preceding paragraph are confirmed upon considering Section I of said Article 39 of the Law of 1928: . . . . . .

In effect, this Section says that the registration of a trade-mark is null when it may have been made in violation of the provisions of the Law; but the Law does not require that the location of the establishments in which the objects covered by the trade-mark must be manufactured shall be stated in the application for registration. That is to say, Section I of Article 39 could not serve as a basis to declare the nullity of the trade-mark, because in no event could there have been any violations of the provisions of the Law. [fol. 425] The consideration of Section I of Article 39, jointly with the circumstance that the Law does not require any statement with respect to the place of origin of the objects covered by a trade-mark, shows that Section V of Article 39 may only be interpreted in the sense that a trade-

mark is null when the trade-mark itself, that is, when the label affixed to the object, contains false information, because then nullity is declared as a penalty on account of the fraud of which the public is made a victim.

e. Nullity is of strict law, and it lies under the provisions of Art. 8 of the Civil Code of the Federal District applicable in Federal Matters in respect to acts committed against the tenor or prohibitive laws or the public interest. The precept of the Civil Code indicates, in relation to Section I of Article 39 of the Law of 1928, that a trade-mark is only null when it may have been registered in violation of the provisions of the Law, or when it infringes any precept of public order. In the case under consideration there did not exist in the Law any provision with respect to the necessity of stating in the application for registration the place of location of the factory, and still less was there any precept which might prohibit the registration of the trade-mark because of the absence of any statement or for falsity of the same. In order that nullity may lie, (procedente it is indispensable that the Law demand that requirement, and still less is there a provision that a trade-mark cannot be registered when the application does not contain a statement as to the location of the factory, or when such statement should be false.

The said Section I of Article 39 of the Law confirms once more the interpretation being given to Section V, inasmuch as upon declaring the nullity of a trade-mark for con- [fol. 426] taining a false statement, this Section was taken into account that fraud on the public is an illegal act, punished by the Civil Law and further by the Penal Law, and that therefore no one who acted so disloyally could be authorized to continue defrauding the public and continue using the trade-mark object of the fraud.

f. It is true that in the Regulations of the Law of 1928, as was previously expressed, a statement of the places where the factories which produced the objects were located, was demanded, but the Regulations can never go beyond what the law provides, and cannot demand a requisite not provided for in the Law under the penalty of nullity. But even if it were not so, one must recall that there is no precept which declares the nullity of a trade-mark for not having satisfied some requisite contained in the Regulations,

and which is not found in the Law, as Section I of Article 39 of the Law decrees only the nullity of trade-marks when the registration may have been made in violation of the provisions of the Law.

It is furthermore advisable to make another operation to avoid any error. The present Law of Industrial Property, in Article 200, Sections I and IV, reproduced the provisions contained in Article 39 of the Law of 1928, and conserved substantially the provisions of the said Law of 1928, with reference to the data which must be furnished in the application for registration.

Article 116 of the present Law says only that in the application for registration of a trade-mark the location of the establishment and the owner of the trade-mark must be given, but the Law does not indicate that the place of origin of said products must be stated. Instead, Article 65, Sec- [fol. 427] tion I of the regulations requires, beside the data contained in said Article 116 of the Law, a statement as to the location of the factory where the products are made. From this it is evident that the nullity of a trade-mark cannot be declared under the provisions of legislation in force when there may be an untruth in the statement of the place where the producing factories of the objects are located.

The following observations definitely show the correctness of the thesis sustained. In the first place, it is possible that the place of location of a factory may change, and it would be contrary to elementary principles of law if the nullity of a trade-mark should be declared solely on account of the change of location of a factory. I am naturally referring to a case in which the mark itself does not have any indications with respect to the origin of the products; thus, for example, if upon applying for the registration of a trade-mark it is stated that the factory is located in some country in South America, but the trade-mark itself does not say anything with respect to the origin of the products in such manner that the public is not advised as to the place of origin, no reason whatsoever is to be found to declare the nullity of said trade-mark on the ground that the products were made in another country.

On the other hand, trade-marks cover products which serve to distinguish them from others and their nullity only

is understood in accordance with Universal Doctrine, when a previous trade-mark exists or when the trade-mark contains false statements which may induce the public to error. [fol. 428] In conclusion, the same trade-mark may cover objects produced in factories located in various places or countries, and if the same trade-mark does not have any indication with respect to origin in such a manner that it could be thought that all of the products proceed from the same place, there would be no objection to granting registration of the trade-mark. It is a fact that there is no untruth in the declaration, but, in any event, there can be much variety in the places of origin of products that the place of origin in reality does not have any import.

. . . . . .

Nullity, I repeat, is of strict law. It must be applied with the greatest caution, because judicial order seeks to protect acts done under its aegis, and as the Civil Code says, it is only when prohibitive laws or the public interest are violated that nullity lies. Nullity is a penalty whose effects are total, because it destroys the act as if it had never existed, and precisely on account of this character, it may not be declared except under the express provisions of the law. And it does not appear advisable to give the precepts pertaining to nullity a greater extension than that which is covered by good reasoning, in accordance with the letter of the law. . . . . .

On the other hand, in the light of the thesis presented, this Department deems it unnecessary to take up the question as to whether it was or was not proven that in effect the watches which Mr. Steele sells with the trade-mark "Bulova" are not manufactured in Switzerland.

In general terms, the proofs presented are not definite because, if it is true that in the correspondence exhibited it appears to be shown that watches with the trade-mark "Bulova" are not manufactured in Switzerland, neverthe- [fol. 429] less it is not proved that the watches which Mr. Steele sells do not proceed from Switzerland, because it is even possible that the watches may come from Switzerland without trade-mark and that the trade-mark is put on them afterwards by Mr. Steele. But we repeat, this problem of proof does not affect the decision in this matter, because even though it should have been proved that in

fact the watches do not proceed from Switzerland, still the declaration of nullity of the trade-mark would not lie on account of all that has been said above.

Wherefore, this Department, in the exercise of the faculty which Article 208 of the Law of Industrial Property in force concedes to it, and based upon Article 2, transitory, of the same in relation to Article 39, Sections I and V of the Law of Trade-Marks of 1928, denies the declaration of nullity of national trade-mark 33602 called "Bulova" property of Mr. Sidney Steele.

Attentively.

Effective Suffrage. No. Re-Election.—By order of the Secretary. The Chief Clerk. Lic. Enrique Monterrubio.—Scroll.—cc for The Gazette of Industrial Property

cc. for File 29604 of Trade-Marks.

cc. for Mr. Sidney Steele, Represented by Lic. Vicente Mac-Gregor.

San Juan de Latran No. 9-1.—City.—JAG/jv.—RG. 12225."

* * * * * * *

[fol. 430] APPELLEES' EXHIBIT T-8

Petition of George Kessel Jasven, as Agent and Attorney-in-Fact and representative of Bulova Watch Co., Inc., of New York (dated September 27, 1946) for an amparo against the acts of the Chief Clerk, Secretary and Director of Industrial Property of the Secretariat of National Economy, and the third prejudiced party, Sidney Steele.

* * * * * * * *

Citizen Attorney Emilio Canseco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, certifies:

That in injunction suit number 2015/46 filed by the Bulova Watch Co. Inc. of New York, against acts of the Secretariat of National Economy and of other authorities, there appears the following pleading (constancia) which says:

Minute.—"Complainant: George Kessel, with domicile at No. 7, Ap't. 2., Art. 123rd St., Mexico, D. F.

Third Prejudiced Party: Sydney Steele, with domicile at No. 6, Cinco de Mayo, Mexico, D. F.

Responsible Authorities: Chief Clerk, Secretary and Director of Industrial Property of the Secretariat of National Economy.

Act Complained of: The ruling rendered by the first of the authorities in the name of the second and which the third party seeks to execute, finding that the petition for nullity of registration of national trade-mark number 33602 "Bulova" does not lie.

[fol. 431] Guarantees Violated: Those contained in Art. 133 in relation to Art. 14 of the Constitution and those contained in the latter article.

Citizen Judge of the First Administrative District.

Present:

I, George Kessel Jasven, a naturalized Mexican citizen, as agent and attorney-in-fact and Representative of the Bulova Watch Co. Inc., of New York, legal capacity which I prove with the certified copy hereto attached, with domicile to receive notices at No. 7, Ap't. 2 of Article 123rd Street, of this City, and authorizing attorneys Carlos H. Rojas and Rafael Vieyra Loayza to receive and take all kinds of actions, respectfully appear and say:

That based upon the provisions of Art. 1, Section I, Art. 114, Section II, Art. 116, and other relative articles of the Law of Injunctions (amparo) and on Constitutional Articles 14 and 133, I come to bring suit for an injunction and protection of the Federal Justice against acts of the Secretary, Chief Clerk and Director of Industrial Property of the Department of National Economy, which I set forth in the following paragraphs, giving for such purpose:

I. As the name and domicile of the Complainant: Those given above.

II. Name and domicile of the Third Injured Party: Those shown in the heading of the present petition.

III. Responsible Authorities: Those hereinabove named.

IV. Act complained of: The ruling rendered by the Chief Clerk in the name of the Secretary of National [fol. 432] Economy and the Director of Industrial Prop-

erty, denying the administrative declaration of nullity of registration of national trade-mark "Bulova" 33602.

V. Guarantees Violated: Those granted by Arts. 14 & 133 in relation to Art. 14 of the Mexican Constitution.

Antecedents

I. I am the agent and attorney-in-fact and representative of Bulova Watch Co., Inc., of New York, founded in 1911 by Mr. Jose Bulova, which I prove with the certified copy hereto attached.

II. As I shall presently prove, the Company which I represent has had the trade-mark "Bulova" registered in Switzerland, United States of America, and other countries, for more than forty years, using said trade-mark to distinguish watches and parts thereof which it produces in its factories known throughout the world.

III. The watches produced by my principal have acquired great prestige throughout the world, being products of a high price in relation to watches of other qualities.

IV. My principal has never had a branch in Mexico, having transacted all of its business directly with the persons who desired to import its watches.

V. Taking advantage of this circumstance, that is to say, the absence of a representative, Mr. Sydney Steele, in all bad faith and fraudulently registered the trade-mark "Bulova" in his name in the Office of Industrial Property, keeping such registration a secret until he judged the necessary [fol. 433] time had run in order that he might from then on devote himself to selling watches of poor quality made in Mexico by him with the trade-mark "Bulova," thus taking away the prestige from the legitimate owner, and likewise defrauding the public with his deception, and placing himself in the situation specifically provided by Art. 76 of the Regulations of the Law of Industrial Property.

VI. On discovering this situation, basing my action upon the legal provisions which I shall hereafter set out, I filed with the Director of Industrial Property a petition for the administrative nullity of national trade-mark 33602 "Bulova" issued in favor of Mr. Sydney Steel, and that Official Agency, without even taking into consideration the proofs which I offered and without admitting certain of them, and

against every law and every right rendered the ruling which causes my present petition for injunction.

Concepts of Violation

A. In its pertinent portion, Constitutional Article 14 says:

"No one may be deprived of life, liberty or his property, possessions or rights, except by means of a suit followed before courts previously established in which the essential formalities of procedure are complied with, and in conformity with laws enacted prior to the act."

The ruling referred to does not remotely fulfill the elementary formalities of any administrative proceeding which the Law of Industrial Property and its Regulations and the former Law of Trade-marks and its Regulations [fol. 434] establish, as said proceeding contains flagrant anomalies and serious irregularities and illegalities, some of which are as follows:

1. The proofs which I presented were not exhausted, but were arbitrarily rejected without any analysis or evaluation whatsoever, with a mere statement: "They do not prove the point."

2. Despite the fact that by admission of the said Sydney Steele, contained in File 33602 of trade-marks, said gentleman admits that despite the allegation in his application for registration, he had never imported nor produced Bulova watches in Switzerland, the ruling to which I refer evaluates said admission as a possibility of proof of said fact against the express dispositions of the Law on value of evidence and against the most elementary principles of law.

3. Although the Law and its Regulations require that the application for registration shall comply with the form and conditions called for and specified, Mr. Steele misrepresented the facts in the said application, nevertheless the weird ruling which I now oppose (says) the regulations and the law need not be taken into account (sic.).

4. Said ruling also maintains the talented thesis that though the Office of Industrial Property Was Deceived It Must accept (Sic.) said deceit by virtue of the fact that the public has not been deceived (sic.), as if its legal existence were possible from the latter fact a logical consequence

of the former which it now admits to exist in view of the existence of the first situation. But even assuming that the Authority could legally accept the fraud, is it conceiv-[fol. 435] able that such Suspicious Conformity with an act notoriously illegal and criminally punished, should also be acceptable to the third interested party?

5. The denial of my petition for nullity of the registration of trade-mark 33602 "Bulova" Constitutes a Patent of Impunity Which the Responsible Authority Grants to Mr. Steele, So He May Continue Defrauding and Deceiving the Public by Selling Spurious "Bulova" watches made in Mexico, and in disrepute of the legitimate owners and manufacturers of said mark.

6. The ruling boldly claims that, although it recognizes and knows that "It Has Been Deceived" (sic.) such fact, sanctioned by the said Law and its Regulations by nullity as well as criminally, Must Not Be Taken Into Consideration (sic.) a conclusion to which it arrives Without Any Legal Reason, But Only On the Ground of Suspicious Benevolence.

7. Also it says with monumental stupidity that "This Department deems, in view of the thesis presented (?), that It Is Unnecessary to Enter Into the Question as to Whether or Not It Was Or Was Not Proved that in effect The Watches Which Mr. Steele Sells With the Trade-Mark Bulova Are Not Manufactured In Switzerland (! ! ! !).— That is to say, that the precise Cause of Nullity Which I Invoke and No Other is that which the Department of National Economy Deems Unnecessary to Consider. Is Not This Fresh Coincidence Favorable to the Interests of Mr. Steele Strange?

[fol. 436] 8. The ruling to which I refer, rendered against the very letter of the law, even goes so far as to Falsify and Deny the Text of Legal Precepts, and even though Art. 9 of the Law of Trade-marks, with its complementary regulation of Art. I, Sec. F, says that: "The Location of the Factory Where the objects are manufactured to which the trade-mark is to be affixed must be indicated", the ruling in question says textually: "The Law does not require that the application for registration indicate the location of the establishments in which the products of the trade-mark are to be manufactured" (sic.).

9. Furthermore, the ruling so often referred to, surely on account of ignorance, Ignores Constitutional Art. 133, as, in spite of the precepts which this article establishes, It Did Not Even Consider the International Treaty Signed By Mexico Which Is Still in Full Force and Effect, and to supply deficiencies in my application the authority, endeavoring thereby to avoid the support of the well known "thesis" of Ignorance of the Law, which appears to be the only thesis which animates the whole document.

The above concepts, I believe, will duly illustrate the constitutional violations on which I base my present petition for injunction (amparo), which in due time I will analyze more fully, giving details of others which I have not even mentioned.

Wherefore, I Respectfully Pray the Court:

I. To enter my appearance under the allegations of this petition and legal copies which I attach, seeking an injunc-
[fol. 437] tion and protection of federal justice against the acts, violations and legal consequences committed by the responsible authorities mentioned.

II. In conformity with the provisions contained in the Law of Injunctions (Ley de Amparo), to issue service of the present petition on said authorities and the third prejudiced party within the time required by law.

III. After all due proceedings are had, to grant me an injunction and protection of the federal justice, with all the legal effects (procedencia) of my petition for nullity of the registration of the trade-mark "Bulova" made by the Office of Industrial Property in favor of Mr. Sydney Steele.

I protest the necessary.

Mexico, D. F., September 27, 1946.

George Kessel J.

* * * * * * *

APPELLEES' EXHIBIT T-9

Answer of the third prejudiced party, Sidney Steele, through his attorney, Vicenta Mac-Gregor (dated November 18, 1946) in the amparo suit instituted by the Bulova Watch Co., Inc., of New York.

* * * * * * *

Citizen Attorney Emilio Canceco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, Certifies:

[fol. 438] That in injunction suit number 2015/46 filed by the Bulova Watch Co. Inc., of New York, against the acts of the Secretariat of National Economy and other authorities, there appears the following pleading (constancia) which says:

Answer (Escrito).

Citizen Judge of the First District Court,

Administrative Branch, for the Federal District:

I, Vicente Mac-Gregor, agent and attorney-in-fact of the third prejudiced party, Mr. Sidney Steele, in injunction suit (juicio de ampara) 2015/46, instituted by the Bulova Watch Company, Inc., against the Citizen Secretary and other officials of the Secretariat of National Economy for acts consisting of the ruling rendered in the administrative suit for nullity of registration of Trade-Mark 33602 issued in favor of Sidney Steele and Company, such suit being brought by the aforesaid Bulova Watch Company, Inc., before you respectfully appear and say:

That the injunction applied for by the complainant should not be granted because of the following facts and points of law:

Facts

I. Messrs. Sidney Steel and Company obtained the registration of Trade-Mark number 33602, called "Bulova", in accordance with title dated December 5, 1933, which title appears in file No. 5483 which I offer as proof.

[fol. 439] II. That registration was published in the Gazette of Industrial Property (fifth year) number 12, corresponding to the month of December.

III. Twelve Years and more after said publication was made, when Steele had his trade-mark accredited in Mexico and had for that purpose made large investments, the Bulova Watch Company, Inc., (which had neither made any investment nor had it made any effort to introduce and accredit in the Republic the watches which it makes), filed a petition dated February 12th of the present year

asking for the nullity of the aforesaid registration, alleging that prior to the date of the registration obtained by Steele & Company, it had registered and used the same trade-mark "Bulova" in the United States of North America.

IV. The Bulova Watch Company, Inc., based its petition (as may be seen in the paragraph of the same which has for a heading the word "Law") as to the merits of the controversy on Arts. 200, Section I, 105, Section IX and 190 of the Law of Industrial Property in force; and as to procedure on Arts. 229, 230 and 231 of the same Law (I state in advance that the Law in force on which the Bulova Watch Company, Inc., based its petition in the administrative suit was not in force when the registration of trade-mark 33602 above referred to was applied for and issued and, therefore, the petition lacked any legal basis because it was based on a Law not applicable to the case. I shall insist upon this argument under the heading of Points of Law.)

In accordance with the typewritten copy of the petition [fol. 440] to which I am referring, the Bulova Watch Company, Inc., alleged that it based its petition on the provisions of Art. 6 Bis. of the Decree which the Convention promulgated and the agreement signed between Mexico and the various nations on the 6th of November, 1925; but inasmuch at the bottom of said petition, attorney Carlos H. Rojas, (agent and attorney-in-fact of Bulova Watch Co., Inc., and signer of said petition) wrote in his own handwriting and signed an additional statement which textually says: "Likewise I base my petition on the application for nullity of the registration, Reserving Rights With Reference to the Declaration of Falsification, Imitation and Illegal Use of the Trade-Mark" the aforesaid agent and attorney-in-fact of the Bulova Watch Co., Inc., thereby deprived himself of all application of Art. 6 Bis. of the decree referred to, because that Article refers to the invalidation of the registration of the trade-mark only in cases of imitation of the same. Accordingly, I repeat, he did not exercise an action for imitation, falsification and illegal use of the trade-mark, when the attorney for the Bulova reserved

such rights underscored above in the added allegation. I prove this fact with the copy of the petition which was delivered to my principal, which copy I exhibit.

V. My principal answered the petition raising the defense that the Statute of Limitations had run, in that the suit for nullity of the registration above referred to should have been filed by the Bulova Watch Co., Inc., in accordance with the Law of Trade-Marks of Industrial Property within a period of three years from the date of the publication of the aforesaid registration in the Gazette of Industrial Property; and the Bulova Watch Co., Inc., delayed said suit for nullity until Twelve Years after that date. [fol. 441] VI. The petition was answered; the period for proofs had elapsed; and the controversy being ready for judgment to be rendered, the Bulova Watch Co., Inc., amended its petition on grounds which I shall later consider, and notice thereof was served on my principal, notwithstanding the fact that such amendment should have clearly been resisted on account of having been presented notoriously out of time.

Notwithstanding that my principal protested in the terms of Articles 161 and 162, of the Law of Injunctions because the said amended petition was received, in view of the fact that the administrative authority declared said protest out of order, my principal answered the amended petition within the time granted for such purpose.

In the said amended petition the plaintiff exercised an action distinct to that which it had exercised in the petition, asking in the amendment the nullity of the registration of the trade-mark above cited, not only on the ground of registration and previous use abroad of the same trademark, but in addition because, according to the false affirmation of the complainant, the application for registration of trade-mark 33602 contains false statements (I repeat that this allegation of the plaintiff is false) with respect to the origin of the products it covers and the location of the factory which makes such products. The plaintiff based his new action on Section IV of Article 200 of the Law of Industrial Property, which law, I again say, was not applicable to the case because it was not in force when the aforesaid registration was made.

[fol. 442] My principal answered the amended petition arguing:

I. That the suit filed in that amended petition did not lie because false statements (sanctioned by the nullity of the registration) to which the aforesaid Section IV refers, are not the allegations made in the application for registration, but are those which are put on the trade-mark itself upon using it, that is to say, those which are put on the objects which the said mark protects, for the purpose of deceiving the public in selling such objects, so that those persons may acquire them on the belief that they have a different origin from that which they really have.

II. That even assuming, for the mere sake of argument that the aforesaid allegations were those made in the application for registration, the action sought in the amended petition, would not lie either because it is not certain that those allegations may have been false, inasmuch as they do not have any value as evidence under the Codes of Civil Procedure of the Federal District and Federal Code of Civil Procedure, for the following reasons: (a).—Because such pseudo—proofs of the plaintiff were based upon certain uncertified photostatic copies of certain telegrams written in a foreign language, whose originals were neither exhibited nor recognized by the party who (as the plaintiff says) wrote them; nor were they translated as the law requires; and (b).—Because, even assuming for the sake of argument that those photostatic copies might have some probative value, they would only prove that which they really say and not what the plaintiff endeavors to make them say by fraudulently changing and mutilating [fol. 443] the wording of the same; since the plaintiff endeavors to make such telegrams say that Mr. Steele had never received watches from Switzerland, and what they really say is that my principal has never received watches from Switzerland marked with the name which his opponents mention; and this second affirmation is not in contradiction with that given by Messrs. Steele and Company in its application for registration, in which it said textually: "That it uses to cover and distinguish various classes of watches manufactured in Switzerland;" but in no manner did he say falsely as the complainant alleges that he had

received watches from Switzerland marked with the name Bulova, which is mentioned by his opponent; since this name constitutes a Mexican trade-mark and it is in Mexico where that mark is engraved on the watches received from Switzerland (as Mr. Steele, adhering strictly to the truth in his application for registration, declared).

In rendering its ruling, the Secretariat stated as to the first action filed by the Bulova Watch Co., Inc., that is, with respect to the action entered in the petition and not in the amendment that such action did not lie; because it was entered after the period of three years in which it should have been exercised in accordance with Section II of Art. 39 of the Law of Trade-marks of 1928 (which was the applicable Law, in accordance with Art. 2, transitory of the Law of Industrial Property in force; and because it was entered after the period of three years to which Article 78 of the Regulations of the aforesaid Law of 1928 refers.

[fol. 444] With respect to the action filed in the amended petition, the ruling of the administrative authority recited textually that: "it is clear from Section V of Art. 39 of the Law of 1928 that in order to declare the nullity of a trade-mark it is indispensable that the trade-mark itself contain false information with respect to the location of the industrial or commercial establishment in which the objects are produced, the furnishing of false data in the application for registration of a trade-mark and the fact that the Trade-Mark Itself which is exposed to the view of the public may contain false information, being two radically distinct concepts." The same ruling stated as follows: Section V of Art. 39 of the Law of 1928 evidently refers to the second of the above concepts, that is, it decrees the nullity of a trade-mark when it contains false information with respect to the location of the industrial establishment which produces the objects.—"

The ruling adds: "d.—The conclusions reached in the preceding clause are confirmed upon considering Section I of said Article 39 of the Law of 1928; in effect, this paragraph says that the registration of a trade-mark is null when it may have been made in violation of the provisions of the Law, but the Law does not require that the location of the establishments in which the objects covered by the trade-mark are to be manufactured shall be stated in the

application for registration. That is, Section I of Article 39 could not serve as a basis to declare the nullity of the trade-mark because in no case could there have been any violations of the provisions of the Law. The consideration of the said Section I of Art. 39, together with the circum- [fol. 445] stance that the Law does not require any statement with respect to the place of origin of the objects covered by a trade-mark, shows that Section V of Article 39 can only be understood in the sense that a trade-mark is null and void when the trade-mark itself, that is, when the label which is affixed to the object, contains false information because when nullity is declared as a penalty on account of the fraud of which the public is made a victim."

The ruling continued: "e.—nullity is of strict law * * * a trade-mark is only null when it may have been registered in violation of the provisions of the Law * * * In this case there did not exist in the Law any provision at all with respect to the necessity of stating in the application for registration the place of location of the factory, and still less was there any precept which might prohibit the registration of the trade-mark because of the absence of such statement or for falsity of the same. In order that nullity may lie, it is indispensable that the Law exact that requirement and provide that a trade-mark cannot be registered when the application does not contain a statement as to the location of the factory, or when such statement be false."

In view of the above thesis, which was sufficient to destroy totally the action exercised in the amended petition, the administrative authority deemed it unnecessary to consider the question if it was or was not proved that the watches which Mr. Steele sells with the trade-mark "Bulova" were not manufactured in Switzerland. (Incidentally, I consider it advisable to repeat that the plaintiff did not prove that the watches which Mr. Steele sells were not manufactured in Switzerland.)

[fol. 446] The Bulova Watch Company, Inc., sought an injunction against the administrative ruling, which I have substantially transcribed, upon the false reasons which can be seen in the petition for the present injunction, which I now take up:

Refutation of the Concepts of Violation Stated By the Complainant.

The affirmation made by the complainant in the paragraph marked with number 1 of the enumeration of those which said complainant calls "anomalies, irregularities and illegalities" is not true with reference to the allegation made that the proofs which he presented were not studied, they being, as he says, arbitrarily rejected without any analysis or evaluation whatsoever. This is not true because the responsible authority did study all of the proofs presented by the complainant, which study was not useless, owing to the fact that the study of the cause of nullity alleged by the complainant brought the responsible authority to the conclusion, because of irrefutable legal arguments that such cause of nullity not being previously provided for by the Law, and nullities being of strict law (according to Escriche's Dictionary of Legislation and Jurisprudence, strict means "that which is adjusted entirely to the Law, and which does not admit of interpretation"), it could not consider the cause alleged by the complainant as a cause of nullity. Now then: as this pseudo cause of nullity was the untruthful allegation of the complainant that my principal gave false indications in his application for registration of trade-mark 33602, and as the false statements sanctioned by nullity of registry under Section IV, Article 200 of the Law of Industrial Prop-
[fol. 447] erty (the only Section on which the complainant seeks to base the action exercised in the amended petition presented before the administrative authority) are those which the trade-mark itself contains, the position of the responsible authority in not considering whether the statements made in the application for registration were really false was legally logical, because a total and absolute lack of a cause of action exercised in the amended petition was already shown, and a study of those proofs would have been redundant and useless.

The complainant, in paragraph 2 under the heading of what he calls "anomalies, irregularities and illegalities," tries to create confusion in the mind, Your Honor, as to which are the imputations of falsity with which he charges

my principal in the amended petition. In fact; as I have already stated upon referring to the facts alleged in the present pleadings, the complainant fraudulently mutilating the wording of some telegrams (whose transcription and translation were not made as the Law requires in order that they may have had probative value), attempted to show that my principal admitted in those telegrams that he had never received watches from Switzerland. Now a reading of those telegrams (whose transcription and translation appears in administrative file or application for and grant of registry of trade-mark 33620, "Bulova", which file I offer as proof) is enough to convince anyone that what the telegrams say is that my principal "never received watches from Switzerland marked with the name which his opponents mention," or in other words, that my principal never received watches from Switzerland marked with the name "Bulova." The difference is evident, inasmuch as my principal might well not have received watches from Switzerland marked with the Trade-mark "Bulova", [fol. 448] but he nevertheless might have received watches from Switzerland without having any mark whatsoever and he could have put on those watches the Mexican trade-mark "Bulova" when those watches arrived in Mexico. The foregoing is enough to show the deceit with which the complainant tries to confuse the former facts for the purpose of deceiving Your Honor as to their nature. The facts having been thus clarified, it is evident that Mr. Sidney Steele did not admit in the administrative suit, nor in file 33602 the imputation on which the complainant bases his amended petition; all the more so, as copies and translations of the said telegrams which the complainant submitted as proofs of the action he entered in the amended petition did not fulfill the requisites of the law in order to give them any probative value, as I extensively showed under the heading of Facts in this pleading. And this is so even without considering that it would have been wholly useless for the responsible authority to enter upon the study of those telegrams because, even though from such study the conclusion might have been reached (an impossible thing) that my principal made false statements in the application for registration, such statements could not have been a basis for nullity under Section IV of Article

200 of the law of Industrial Property, the Section on which the complainant based his amended petition, because the nullity which this Section establishes refers to false statements contained in the trade-mark itself and not in false allegations made in the application for registration, as we have already stated several times.

The attempted anomaly or irregularity expressed in Par. 3 of the enumeration to which we are referring is a highly improper imputation which the complainant makes against the responsible authorities. In effect, that these authorities said (with profound juridical discernment) that [fol. 449] the action by the complainant for nullity exercised in the amended petition does not lie in that such action was based on Section IV of Art. 200 of the Law above cited and that the said Section provides and sanctions with nullity a different case from the one alleged by the complainant does not mean that the responsible authority did not take that Law into account; in point of fact, the authority did take such law into consideration as shown by the transcriptions of the ruling which the undersigned quoted in the statement of facts; but it did not find it applicable to a case of "false statements" made in the application for registration, which we are considering, but only to a case of "false statements" contained in the mark itself. Neither is it true that the responsible authority did not take the Regulations of the Law into account; it took them into account and studied them; but it reached the conclusion that the action for nullity exercised in the amended petition could not be based on that regulation because the regulation itself did not establish the penalty of nullity in case of false statements made in the application for registration; just as the Law does not establish either such penalty of nullity for the same case, but only in a different case, that is, one of "false statements" contained in the trade-mark itself, as we have already said several times.

The allegation made in Paragraph 4 of the enumeration of "anomalies, irregularities and illegalities," wherein it is claimed that the responsible authority had admitted that it was deceived (as the complainant deviously tries to make it appear) is false; setting itself a hypothetical case (not granted one) that it was deceived by false

statements inserted in an application for registration, the responsible authority quite logically deemed that such fraud could not affect the public if those false statements were not put on the trade-mark itself; and this is evident, [fol. 450] because the public does not see the application for registration of a trade-mark when it buys an object protected by that mark, but only what the trade-mark states. In the paragraph which I am commenting the complainant finally for the first time felt a sense of shame in affirming that false statements of a registration are sanctioned by nullity and only ventured to say that those statements constitute "an illegal act punished criminally." The ruling challenged had no reason to declare that the statements in question should be punished criminally, but only that they should be punished by annulment of the registration, and with profound juridical discernment (however much ironically and fraudulently and to give the impression that it was the victim of a grevious wrong, the complainant calls the ruling of the responsible authority "monumental stupidity") with profound juridical discernment, I repeat, the responsible authority recognized in it ruling that false statements made in the application for registration are not penalized by nullity under Section IV of Article 200 of the said Law, such Section being the only one on which the complainant based the action which he exercised in his amended petition. Paragraph 5 of "anomalies, irregularities and illegalities" only seeks to sway Your Honor's sense of fairness from the viewpoint of morality and equity, since the injunction asked by the complainant has no basis in Law; neither does equity help it, because the complainant is trying to monopolize a surname, that of Bulova, so that he may be the only one who uses it as a trade-mark for his watches; this is tantamount to a Spanish, for example, desiring to monopolize the very common name of Perez for use by him only as a trade-mark on objects which he might manufacture, without permitting the name surname to be used in any of the other twenty nations that speak Spanish; nor in the rest of the world; moreover, the prestige of the trade-mark [fol. 451] Bulova has been achieved by the tenacious efforts of fifteen years in advertising it at great cost and expense. In conclusion, the equity aspect has to yield to the legal

aspect, as happens in all cases of prescription, since the latter is considered as a legal institution necessary for public order which exacts that rights shall not be eternally indefinite, such institution of prescription being so indispensable that there is not a single jurist who does not consider it necessary, although at times it takes away rights from those who really have them; by which I do not mean that prescription in this case takes away any right of the Bulova Watch Company, Inc.

The complainant insists upon stating an untruth in paragraph 5 of "anomalies, irregularities and illegalities", when it says that the responsible authority recognizes that "it has been deceived." The responsible authority never admitted that it was deceived by my principal, but it simply put to itself a hypothetical case (without admitting it) where it might have been deceived, in order to conclude that not even in such event was nullity applicable, because nullity is established by Section IV of Art. 200 of the Law, only for fraud based upon "false statements" contained in the trade-mark itself and not on false statements appearing in the application for registration of that mark; the responsible authority having limited itself to the comment that false statements appearing in the application for registration are not known to the public and, therefore, they do not cause the public to be deceived with respect to the origin of the marked objects. This is not the case as to false statements contained in the trade-mark, as these are either engraved, attached in the form of a label or painted, etc., on the objects themselves which are to be sold to the public, the frequent indication made in many objects as to the place they are made, being a clear example of this, such as the indication which the Germans (on account [fol. 452] of exaction by the English so that they may have no competition and so overcome the Germans, as they thought, with such exaction) put on the objects which they manufactured, the statement reading "Made in Germany", that is, "Hecho en Alemania". I repeat that the affirmation contained in paragraph 6 on which I am commenting, that the Law and its Regulations punish "false statements" appearing in the application therefor (with nullity of the registration) is untrue and has a tendency to deceive Your Honor, because, as I have already explained,

nullity only exists under the Law for false statements contained in the trade-mark itself. It is also false, as I have already shown, that the authority did not take the Law and its Regulations into consideration, because I have already explained that it did not take them into account, but it found (with profound juridical discernment) that they were not applicable to the present case.

Paragraph 7 under "anomalies, irregularities and illegalities" again tries to create confusion in the mind of Your Honor, as to the reason why the responsible authority did not undertake the study of the question whether it was or was not proved that the watches which Mr. Steele sells were made in Switzerland. On this point I refer to what has been said before, namely, that such study would have been wholly useless since such fact, whether proved or not, could not give rise to decreeing the nullity of the registration for the reasons above referred to, which, (I repeat it until I am weary) are: that false statements made in the application for registration are not punished with nullity, but it is only false statements contained in the trade-mark itself that are punished with nullity. The complainant endeavors to suggest in this paragraph,—thereby opening himself up to the charge of criminal slander, that the responsible authority was partial to my prin-[fol. 453] cipal, (intimating this vaguely but clearly) that there was fraudulent and illegal connivance, that is, bribery. This slanderous imputation, shamefully and cowardly suggested, is false, wholly false, since from the study of the pseudo proofs presented by the complainant in the administrative suit with reference to the alleged "false statements" the conclusion would have been reached (as Your Honor may see by the exposition in the Facts of this pleading), the conclusion would have been undoubtedly reached, I repeat, that the complainant did not prove that such false statements existed not only on account of not meeting the requisities that this Law establishes in order to estimate that the transcriptions and copies of the telegrams offered as proof by the complainant have probative value, but because from said telegrams it had arrived at the conclusion that only by mutilating them (as the complainant did with its characteristic deceit) could it have

arrived at the conclusion that this defendant made false statements in the application for registration; and I have already clearly shown that what these telegrams say without mutilating them, is rigorously true.

The complainant continues in its attitude of shameless deceit tending to confuse Your Honor's discernment as to deforming findings of fact and conclusions of law which it attributes to the responsible authority in paragraph 8 of "anomalies, irregularities, and illegalities." Indeed, in that paragraph the complainant ventures shamelessly to affirm that the Law of Industrial Property requires that the location of the factory where the objects are manufactured be indicated in the application for registration; and in order to make it shameful deceit susceptible of success, it mixes in a confused manner the precepts of the Regulations with those penalized with nullity by the Law. Clarifying this, I again say: that the Law does not establish any requisite in this particular and the Regulations do not [fol. 454] punish the lack of that requisite with nullity; and that to try to apply penalties of nullity established by the Law for other cases to the lack of such requisite established only by the Regulations, is absurd and violative of the precept that nullities are of strict law.

The assertion in paragraph 9 of "anomalies, irregularities and illegalities" that the responsible authority oignored (the complainant means violated) Article 133 of the Constitution on account of not having taken the International Treaty into consideration referred to in said paragraph, is false. On this particular point it is fitting to say: First.—That the complainant only mentioned the said treaty in its original petition but not in its amended petition; that although it was mentioned in that petition, he (the attorney for complainant) himself deprived it of application, as I have already stated, by the addendum which he made (in the handwriting of Attorney Carlos H. Rojas, agent and attorney-in-fact for the complainant and signed by him) to the final part of the said petition (a fact which I repeat I prove with the exhibition of the copy for the notification delivered to my principal) an addendum by virtue of which he excluded from the action attempted in the suit the nullity of the registration for causes of

falsification, imitation and illegal use of the trade-mark; so that, the case only remaining for previous use of the trade-mark, Article 6 Bis. of the said Treaty was left without application, which was the only article of that Treaty cited by the complainant in the said original petition. Moreover, it is fitting to say that, even assuming without granting that the said complainant had not left the treaty without application, Art. 133 of the Constitution would not have been violated because this article refers to treaties approved by Congress, Congress being constituted by the Senate and the Chamber of Deputies, and not by one only of these two Chambers, in accordance with Article [fol. 455] 50 of the Constitution. I prove the fact to which I refer by the exhibition of the Official Gazette of April 30, 1930, in which the treaty referred to was published, at the end of which it says textually: "The foregoing acts were approved by the Senate of the United Mexican States". It is also fitting to say that the Law of trade-marks or that of Industrial Property was enacted after the effective date of that treaty, and therefore it is amended by that which is contrary thereto; since that treaty was not made by the constituent power (which is formed by the Congress and the Chambers of all the States), nor even approved by the Congress but by only one of the Chambers (the Senate) that forms a part of the Congress, while the Law was passed by the said Congress, or by both Chambers, as may be seen in the text of the same; and only laws passed by the constituent assembly may be repealed by Congress.

The foregoing duly illustrates that there were no such constitutional violations; without considering that the complainant did not concretely designate in any paragraph of his petition for injunction what legal precepts he claims were violated by the ruling challenged. Wherefore, the injunction does not lie, and I Pray Your Honor:

To deny the protection of the Justice of the Union to Bulova Watch Company, Inc., against the acts consisting of the ruling rendered in the administrative suit for nullity of the registration of Trade-Mark 33602, nullity sought by the aforesaid Company before the Citizen Secretary and other officials of the Department of National Economy.

I protest the necessary.
Mexico, D. F. November 18, 1946.
LIC. VICENTE MAC-GREGOR.

* * * * * * *

[fol. 456] Substantiated report of the Secretariat of National Economy dated November 5, 1946, filed in amparo suit brought by the Bulova Watch Co. Inc., of New York.

* * * *

APPELLEES' EXHIBIT T-10

Citizen Attorney Emilio Canceco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, Certifies:

That in injunction suit number 2015/46 filed by the Bulova Watch Co. Inc. of New York, against acts of the Secretariat of National Economy, there appears the following instrument which says:

Official Communication.—"On the upper left margin a seal with the National Shield which says: United Mexican States. Federal Executive Power.—Mexico, D. F.—Secretariat of National Economy.—Reg. 3161.

On the upper right margin a square which says: Agency. Legal Department. Section.—Desk. Number of the Communication. 2073.—File 38/301.2 (05)628.—Subject: Injunction number 2015/46, filed by Bulova Watch Co. Inc. of New York against acts of this Secretariat.

Substantiated Report is rendered.—On the left side margin a rubber stamp which says: First District Court In Administrative Matters. Mexico, D. F.—Nov. 13, 1946.—at 9:30 A. M.

Mexico, D. F., November 5, 1946.

[fol. 457] Citizen Judge of the First District Court, Administrative Branch, for the Federal District.

City.

In conformity with the provisions of article 149 of the Law of injunction, I render to you the substantiated report which you were pleased to request in your kind communication number 9188 dated October 1st of last year, in the proceedings of the injunction suit number 2015/46, filed by

the Bulova Watch Co., Inc. against the acts of this Secreteriat which are alleged to be in violation of the guarantees contained in articles 14 and 133 of the Federal Constitution. . . . . .

Antecedents.

On the legal date of October 25, 1933, under number 33602, the registration of the trade-mark called "Bulova" in favor of S. Steel and Co. was granted to cover and distinguish watches. This trade-mark, on October 17th, was transferred to the ownership of Mr. Sidney Steel. . . . . .

By writing of the 12th of February of the current year, Mr. George Kessel, as representative of the Bulova Watch Co. Inc., petitioned this Secreteriat for a declaration of falsification, imitation and illegal use, as well as the nullity of the registration of trade-mark "Bulova" number 33602, property of Mr. Sidney Steel, alleging that since the year 1886, Mr. Jose Bulova, manufacturer of watches, established himself in the City of New York, and formed the Bulova Watch Co. Inc., engaging in the manufacture of watches which were known in the trade with the name of "Bulova" watches. That on the 3rd day of June, 1924, it registered in the Patent Office of Washington the name of [fol. 458] its watches. That on the 1st of September, 1931, with the purpose of making its products known in the Mexican Republic, it contracted, among other advertising mediums, those of Radio Station XEQ of Ciudad Juarez. That it tried to obtain the registration of its mark in the Mexican Republic but found that Mr. Sidney Steel had obtained the registration of trade-mark "Bulova", and that he sold watches covered by said mark in Mexico, which were false, as they did not fulfill the requisites of manufacture and precision of the originals, which involved the commission of the offense of falsification and fraud of the public. That seeking to arrive at an understanding with Mr. Steel of watches, an authority Inc. brought the matter to the attention of the Swiss Federation of Manufacturers of watches, an authority known and accepted throughout the world by all merchants, who intervene in the matter, but nevertheless was unable to get Mr. Steel to stop the manufacture of the watches which he manufactured under the

trademark "Bulova".—Notice of the suit was given and the answer of Mr. Vicente McGregor, attorney for Mr. Steel, was received, opposing the petition of Mr. George Kessel, alleging the following:—

1.—The declaration of imitation or illegal use of the trademark "Bulova" does not lie, because in accordance with article 198 of the Law of Industrial Property, in order that such declaration may lie, the plaintiff must have proved within a period of three years that the trade-mark had not been used in the manner in which it was registered.

2.—The declaration of nullity of the registration of the trade-mark "Bulova" does not lie either because, in accordance with Article 6 of the Decree which promulgated the Convention signed by Mexico and various nations on [fol. 459] the 6th of November, 1925, the declaration of nullity of the registration of the trade-mark was not sought within the period of three years counted from the date of the registration.

3.—The declaration of nullity does not lie under Articles 198, 220 Section II, with relation to Articles 100 and 201, Section III, of the Law of Industrial Property, because Mr. George Kessel did not present his petition for registration to this Secretariat within three years after the publication in the "Gazette of Industrial Property" of the registration whose nullity is sought.

4.—Neither does the declaration of nullity of the trade-mark lie, in accordance with the final part of Section II of Article 200 of the Law of Industrial Property, because the defendant (demandado) (1) did not use the trade-mark "Bulova" during the three years to which the said precept refers as only execute a contract for one year, as it affirms, with Radio Station XEQ of Ciudad Juarez.

Later, under date of April 10, Mr. George Kessel amended his previous petition, suing for the nullity of trade-mark 33602 considering it within the provisions of Article 39, Sections I and V of the Law of Trade-marks of 1928, as said trade-mark contains false statements with respect to the origin of the effects which it covers or location of the factory

Mr. Steel answered this pleading opposing the declaration of nullity and alleging, as a fundamental reason, that there existed a violation of essential laws of procedure, inasmuch as an amended petition was admitted when the matter was pending, and because independently of that consideration, the provisions cited were not applicable, nor [fol. 460] was there any ground for the declaration of nullity.

1. Translator's not-: It is believed that "demandado" is incorrectly used, as it is clear that the paragraph refers to the plaintiff, Bulova Watch Co. Inc., of New York.

Firstly:—Mr. George Kessel presented as proof a certified copy (testimonio) of protocolization of the certification made by the Patent Office of the Department of Commerce of the United States of North-America of the trade-mark of the Bulova Watch Company, Inc.

Secondly:—Photostatic copies of the contracts signed by the Bulova Watch Co., Inc., with Radio Station XEQ of Ciudad Juarez, Chihuahua, dated September 1st, 1931 and October 24, 1932.—

Thirdly:—Photostatic copies and their translations of the radiograms and cablegrams exchanged between the Federation of Manufacturers of Watches and Mr. Sidney Steele.

Fourthly:—Photostatic copies of the authentic watches and the false ones; and

Fifthly:—He petitioned the Office of the Director General of Industrial Property to designate an inspector, for the purpose of making a visit to various jewelry stores of this City to prove the truth of his allegation relative to the sale of imitations and falsifications of the genuine "Bulova" watch by means of watches manufactured by Mr. Sidney Steel and covered by the same trade-mark.

[fol. 461] On his part, Mr. Sidney Steel presented as proof a copy of the "Gazette of Industrial Property" of the same month of December, 1933.

The inspection requested by Mr. George Kessel was carried out on February 19th in the Morales Jewelry Store, located on Avenida Madero No. 84; and the Tyfanny Jewelry Store located at No. 66 Avenida Madero Outon

Jewelry Store located at the corner of Tacuba and Palma Streets; and lastly in the Jewelry Store located at Avenida Madero No. 67. In said jewelry stores the Inspectors found on sale "Bulova" watches manufactured by Mr. Sidney Steel, as well as those manufactured by the Bulova Watch Co. Inc., and drew up the respective report.

The matter was turned over to the Legal Department of this Secretariat of National Economy in order that it might render an opinion as to whether the nullity of trade-mark 33602 lies or does not lie (procedencia o improcedencia); and based upon the opinion rendered, it was declared that the administrative application for the nullity of trade-mark 33602 called "Bulova" did not lie.

Act Complained of.

On this point, the petition says textually:

"The ruling rendered by the Chief Clerk in the name of the Secretary of National Economy and the Director of Industrial Property denying the administrative declaration of nullity of the registration of the National trade-mark "Bulova".

[fol. 462] The said act is true, as this Secretariat, basing its action upon articles 39, Sections I and V of the Law of Trade-Marks of 1928, 208 and 2 transitory of the Law of Industrial Property in force, denied the declaration of nullity of the national trade-mark 33602 called "Bulova", property of Mr. Sidney Steel.

Concepts of Violation.

The complainant says that this Secretariat did not study the proofs which it presented in the proceeding, they being arbitrarily rejected without any analysis or evaluation whatsoever. That Mr. Sidney Steel admitted that he had never imported nor produced "Bulova" watches in Switzerland. That the refusal by this Secretariat to nullify trade-mark 33602 constitutes a patent of impunity which this Secretariat grants to Mr. Steel, so that he may continue defrauding the public and deceiving it by selling spurious "Bulova" watches.

That the Secretariat deems it unnecessary to occupy itself with the cause of nullity invoked that the watches which Mr. Steel sells with the trade-mark "Bulova" are not manufactured in Switzerland. That article 9 of the Law of Trade-Marks provides that the location of the factory in which the objects are manufactured to which the trade-mark is to be affixed must be stated. That the international treaty signed by Mexico, which is in full force, was not taken into account. The proofs offered by the parties were duly studied and weighed, and the transcription which the complainant makes in point No. 1 of the concepts of violation in his petition is wholly incomplete, inasmuch as the expression "they were not proved" used in the ruling of this Secretariat (page 4, paragraph 6) means that the proofs introduced by the complaining party do not prove that on the date of the registration of the [fol. 463] trade-mark "Bulova" the latter was then notoriously known in the country.

Moreover, and to demonstrate that the proofs of the complainant were studied and weighed, it is enough to read Subsection e), of page 5, and paragraph 1 on page number II of the ruling challenged. Independently of the above, it must be said that the proofs presented by the complainant consisted, as was said in the antecedents of this report, in a Certified Notarial document showing that the trade-mark "Bulova" is registered in the United States, which is of little account in respect of the registration of that same trade-mark in Mexico, since the complainant believes that the registration of a trade-mark in the United States should also be given effect in Mexico, which is absurd. The telegrams and letters should have been proved by the originals and not by photostatic copies of the same, in the manner and form decided by the Supreme Court of Justice of the Nation in Volume XXXIV of the Judicial Gazette of the Federation to be found on page 103.

Those proofs sought to show, on the one hand, the prior use in Mexico of the trade-mark "Bulova" by the complainant; and, on the other hand, that Mr. Steel did not import watches marked "Bulova" from Switzerland.

Neither were any of the provisions contained in the Law of Trade-Marks of 1928 or those of the present law of

Industrial Property violated, inasmuch as, according to said legal provisions, the declaration of nullity of trade-mark 33602 was denied, because the fact that Mr. Sidney Steele may have stated in his application for registration of trade-mark that the factories which would produce the watches covered by the mark were located in Switzerland cannot cause the public to be deceived, since he did not [fol. 464] state that the watches would arrive from Switzerland already marked "Bulova".

Article 39 in Section V of the Law of Trade-marks of 1928, provided:

The registration of a trade-mark is null:

V.—"When the trade-mark contains false statements with reference to the origin of the effects which it covers, location of the industrial or commercial establishment or of the owner of the trade-mark."

In accordance with the above, it is the trade-mark itself which must contain false statements, but not application for the registration of a trademark, which may not be considered to contain a falsity, since in the same documents which the complainant presented as proofs it was shown that Mr. Sidney Steel received watch parts from Switzerland, or watches already assembled, but without any trade-mark on them, that is to say, that Mr. Sidney Steel marked his watches already in Mexico in order to place them on sale to the public. Besides, the watches which contain the registered trade-mark do not carry any indication which may defraud the public as they only have imprinted (grabada) thereon the trade-mark "Bulova".

But even assuming that the watches or watch parts that Mr. Steel sells did not come from Switzerland, this would not be a ground for the nullity of his trade-mark if there should not be stated on them or on the articles where it appears a factory located in a different place from where it might be found, that is to say, should it be shown that the watches or watch parts were made in Mexico and that [fol. 465] on them it was made to appear that they were manufactured abroad, that is, in a place of origin distinct from the place from which they really came.

But such a thing does not exist, as in the photographs which Mr. Kessel presented which he says is a watch manufactured by Mr. Steel it says: "Bulova", 17 Jewels, Swiss made; and as it was not proved that those watches did not come from Switzerland, the provision quoted is not infringed.

Neither was Article 9 of the Law of Trade-marks violated as Mr. Sidney Steel complied with all of the requirements of this article, for if he had not complied therewith the grant of the trade-mark would not have been in order. As to the failure to take into account the international treaty signed by Mexico, it is not known to which international treaty the complainant refers, and if the Arrangement of Madrid of April 14, 1891 is referred to, this was denounced in a note of March 10, 1942, addressed to the Government of the Swiss Confederation, and by the latter communicated by note of August 13th of the same year to all of the signatory countries; consequently, Article 133 of the Constitution was not violated.

The suit for injunction by the complainant, besides being disrespectful and rude, is argumentative, as on reading it one must believe that this Secretariat under my charge was partial in the study of the issue presented. But this only shows that the complainant, lacking legal and just reasons, resorts to that which everyone lacking an education resorts to, that is, to insults, because he did not obtain that which he without grounds sought: the nullity of trade-mark 33602, which from every consideration did not lie.

[fol. 466] By reason of the above it is concluded that in the ruling challenged, the exact application of the respective legal provisions was made, and that it is found duly grounded and motivated; consequently, it does not violate the constitutional guarantees that the complainant cites in his petition for injunction.

Proofs.

I attach the following documents to be returned: 1.—The following instruments, the same that were presented by the Bulova Watch Co., Inc., in the administrative proceeding:

a).—14 Photostatic copies, with translations that the complainant presented. (4 sheets).

b.)—Notarial document number 23810 of the protocolization of the certification made by the Patent Office of the Department of Commerce of the United States of North-America.

2. Photostatic certified copy of the signed copy of official communication number 21473, resolution 1335 Bis, of last September 10, shown as the act complained of in the present injunction suit.

By reason of the above, I p-ay Your Honor:

I.—To accept as presented in time and form the requested substantiated report.

II.—To accept as proofs of this Secretariat those previously specified; and

[fol. 467] III.—To deny to the complainant the injunction and protection of the Federal Justice.

I reiterate to you the assurance of my respectful consideration.

Effective Suffrage. No Reelection.—By Order of the Secretary.

The Assistant Secretary.—Manuel J. Zevada.—Scroll."

* * * * * * * * *

APPELLEES' EXHIBIT T-11

Judgment dated November 28, 1947, of the First District Court of the Federal District in Administrative Matters in amparo suit brought by the Bulova Watch Co. Inc., of New York.

* * * * * * * *

Citizen Attorney Emilio Canceco Noriega, Clerk of the First District Court of the Federal District in Administrative Matters, Certifies:

That in injunction suit (juicio de amparo) number 2015/46 brought by the Bulova Watch Co. Inc. of New York, against acts of the Secretariat of National Economy and other authorities, there appears the following instrument which says:

Judgment.—

[fol. 468] Statement of Facts.

First.—By petition presented the 28th day of September of last year, Mr. George Kessel Jasven, as agent and attorney in fact and representative of the Bulova Watch Co. of New York, appeared before this Court seeking an injunction (amparo) and protection of the Federal Justice against acts of the Secretary of National Economy, Chief Clerk of said Secretariat and Director of Industrial Property, an official agency of that Office. He alleged in synthesis: that he is the agent and attorney-in-fact and representative of the complainant company which was established in the year 1911 by Mr. Jose Bulova; that as he would prove opportunely his principal has had the trade-mark "Bulova" registered in Switzerland, United States of America and other countries for forty years; that by reason of the quality of the watches manufactured by that company, they are quoted on the market at prices higher than those of a common type; that his principal never had had a branch nor a representative in this Republic as it operated directly with those who desired to import its product; that taking advantage of the absence of a representative, Mr. Sydney Steele registered the trade-mark "Bulova" deceitfully and in violation of the Regulations of Industrial Property then in force, keeping such registration a secret until the time which the Law provides for the exercise of any action for nullity should elapse, in order to devote himself to the selling of watches of poor quality assembled in Mexico with cheap materials and of poor quality on which he put the trade-mark "Bulova," thus detracting from the prestige of the authentic trade-mark; that on discovering this situation, Mr. Kessel filed suit against the Office of Industrial Property to annul the trade-mark number 33602, called "Bulova" made in favor of Mr. Steele, and that said Official Agency rendered a ruling [fol. 469] declaring that the nullity sought did not lie, thus giving rise to the petition for injunction; that as such ruling wrongs his principal on account of the concepts of violation which in due time will be analyzed, violating in his opinion the guarantee which Article 14 of the Constitution gives to him, he petitioned for an injunction and protection of the Federal Justice.

Second.—That by order of October 1st of last year, the petition was admitted; the responsible authorities were ordered to render their substantiated reports: notice was given to the third injured party and a day and hour set in order that the constitutional hearing might be had. . . . . .

Third.—After it was postponed on several occasions, the hearing took place on this day in the presence of the representatives of the complainant and the third injured party, the proofs and arguments of both parties having been received, as appears from the record which was made to that effect. . . . . .

Statement of Law.

Firstly: The act complained of consisting of the ruling holding that the suit for nullity of national trade-mark 33602 called "Bulova" does not lie is true, as its existence is proven by the substantiated report rendered by the authorities held to be responsible. . . . . .

Secondly:—As the complainant adduces at the outset a concept of procedural violation, study thereof should first be made, since should such violation be held to lie, it will be unnecessary to study the other violations. The alleged violation consists in that of the proofs offered in the administrative proceedings some were admitted and others [fol. 470] were not; and those that were admitted were arbitrarily rejected without any analysis or evaluation whatsoever. . . . . .

This is groundless, because besides not alleging clearly which of the proofs were not admitted and which of those that were admitted were not taken into consideration, thereby making it impossible for the undersigned properly to consider that question; it should be added that in the ruling of September 10, 1946, it appears, as the responsible authorities affirm, that they did accept the proofs presented and that they were weighed, as is shown in Subsection "C" of folio number five, and from the first paragraph of folio eleven of that ruling. Even though holding that those proofs were not definitive to prove that the watches which Mr. Steel sells did not proceed from Switzerland, and even though considering such fact to be proved, the authorities

in question held that the nullity sought did not lie on other grounds. The violation of procedure has therefore not been shown, and accordingly we shall proceed with a study of the other violations on their merits (de fondo).

Thirdly.—The concepts of violation on the merits enumerated in points 2 two to 9 nine, inclusive under the Chapter of "Law" can be reduced to a single basic one: The violation of Articles 1, 7, Sections VI and IX, 39, Section I, and 75 of the Law of Trade-marks, Advertisements and Commercial Names of 1928, and that of article 1, subsection f) of the Regulations of said Law, as well as Article 6 Bis of the International Convention for the protection of Industrial Property of March 20, 1883 revised at the Hague in 1925, in that Mr. Sydney Steele never has imported nor produced Bulova watches in Switzerland; because in the application for registration of the trade-mark false information was given with respect to the location of [fol. 471] the factory where said watches were manufactured; because he registered as a trade-mark a proper name without the corresponding permit of its owner; and because all of the foregoing induces fraud upon the public in general, which is deceived by selling to it false "Bulova" watches made in Mexico, with loss of reputation of a trademark accredited in all the world. As the registration of trade-mark 33602, nullity of which is the subject matter of this suit, was granted under the operation of the Law of Trade-marks of 1928, the question raised must be resolved in the light of that Law and its Regulations, since, in accordance with Article 2 Transitory of the present Law of Industrial Property, those provisions are applicable to it.

Now, the complainant says that in the application for registration of trade-mark 33602, false information was given with respect to the location of the factory which makes the objects subject to the same, and that implies the nullity of the registration in accordance with articles 1, 39, Section I and 75 of the Law of Trade-marks of 1928, and Art. 1, Subsection f) of its Regulations. Such affirmation is well taken, as under article 9 of the said Law, among the requisites which must be complied with in order to obtain the registration of a trade-mark, that of giving the location of the factory where the objects are made is not mentioned,

it is necessary to complement that provision with Article 1 of the Regulations which *that provision with Article 1 of the Regulations which* provides that, in order to obtain the registration in the terms of Article 1 of the Law, an application must be formulated in which there is contained, among other data (subsection f) that of location; and this provision cannot be allowed to pass unnoticed, as does the ruling challenged, inasmuch as regulatory provisions cannot amend the Law, since the Regulations by their very nature are of necessary application, because they tend in [fol. 472] a primordial and immediate way to complement or supply the gaps in the corresponding Laws. To hold otherwise would be to arrive at the absurdity of inapplicability, and therefore, to the juridical inefficacy of the Regulations. Moreover, as the invoked Article 1 of the Law establishes that whoever desires to acquire the exclusive right to the use of a trade-mark must fulfill the formalities and requisites that the Law and its Regulations establish, it is unquestionable that under this aspect the ruling challenged inaccurately applies the provisions to the principle mentioned, for having stated in the respective application that the location of the factory is Switzerland, such affirmation not being in conformity with the truth as shown by the proofs presented by the plaintiff in this suit, the same which were admitted in the administrative proceeding, a fact that, although ambiguously, was also recognized in the final part of the ruling challenged, it is indubitable that the falsity of that information gives ground for the nullity of the registration in the terms of Article 39, Section I, in relation to Section V of the said Law of Trade-marks of 1928. Moreover, it is inaccurate to say that the trade-mark may be attacked for nullity only when the falsity of the information exists in the trade-mark itself, that is to say, on the material notice which is put on each object, for if the Law fixes certain requisites that must be inevitably complied with in order to obtain the right to registration, a false statement made in any of them must necessarily cause the falsity of the trade-mark on account of not having satisfied the prerequisites fixed by the Law, especially in dealing with the requisite of location of the factory which produces the product, which on account of its own nature induces the public to deception with respect

to its legitimacy. To argue otherwise, as is done in the ruling which constitutes the act complained of, is tantamount to sanctioning a wrongful act to the prejudice of the consuming public. It should not be forgotten that it is pre- [fol. 473] cisely the authorities charged with granting a right who have the inevitable duty of being vigilant in order that the interests of the public may be duly protected and guaranteed, so that even in a case where it may be conceded they were surprised, they may upon discovering a violation of the Law into which they fell, apply a legal remedy which impedes the continuation of the wrongful or fraudulent act in the benefit of the community. The theory advanced in the ruling of the Secretariat that in the event there was false data furnished to the Secretariat of Economy, the deception or error only existed for it (final part of subsection c) folio 7, of the ruling, and not for the whole public, can under no circumstances be accepted, as this would be tantamount to saying that despite the fact that the authority has within its reach all the means necessary to avoid fraud, means which by a logical consequence private persons do not have, the public must accept as good and legal those wrongful acts sanctioned through error. It is precisely to avoid such anomalies that there exists among other penalties that of nullity. It is true that nullity should be used with caution, as the responsible authorities say, but this does not prevent its application in those cases clearly established in which prohibitive provisions or those of general character are violated it should be applied as in the case under study; because if the responsible authorities recognize that there is a falsity in the declaration, although deeming that such falsity is not contrary to Article 9 of the Law of Trade-marks of 1928, as has been said, this provision should be complemented with Article 1 of the Regulations, the point under consideration is comprehended within those provided for by Article 39, Sections I and V of said Law.

Therefore, if it is proved that a false statement was made in the application for registration (this is recognized in the ruling challenged and in the opinion which the [fol. 474] Legal Department of Industrial Property formulated, photostatic copy of which was presented as proof by the complainant) the exception being considered should

be declared to lie inasmuch as the provisions which the petitioner invokes have been incorrectly applied, with violation, in his opinion, of the guarantee which Article 14 of the Constitution grants, because he is deprived of his possessions and rights without the essential formalities of procedure being complied with, and in conformity with laws issued previously to the fact. The injunction sought, therefore, should be granted without it being necessary now to refer to the other grounds of violation stated at the beginning of this conclusion of law.

By reason of the above, and basing my decision in addition on Articles 76 and 77 of the Law Regulating Injunctions (Ley Reglamentaria del Amparo) it should be and hereby is resolved:

First.—The Justice of the Union grants an injunction (ámpara y protege) to the "Bulova" Watch Co. Inc. of New York, represented by George Kessel Jasven, against acts of the Secretary of National Economy, Chief Clerk of said Secretariat and Director of Industrial Property of that Official Agency, consisting of the ruling that the petition for nullity of the registration of national trade-mark 33602 called "Bulova" does not lie.

Second.—Let notice of this decision be served personally.

Thus Attorney Ponciano Hernandez, Judge of the First District Court in Administrative Matters of the Federal District decreed, and he signed it on this day the 28th day of November, 1947 insofar as the work of the Court [fol. 475] permitted. I certify.—Scrolls.—Ponciano Hernandez and Emilio Canceco."

* * * * * * *

APPELLEES' EXHIBIT T-12

Appeal filed by Sidney Steele through his attorney, Vicente Mac-Gregor, in amparo suit brought by the Bulova Watch Co. Inc., of New York.

* * * * * * *

Attorney Emilio Canseco Noreiga, First Secretary of the First District Court of the Federal District in Administrative Matters, Certifies:

That in suit for injunction number 2015/46, brought by the Bulova Watch Co. Inc. of New York, against acts of the Secretariat of National Economy and other authorities, there appears the following instrument which says:

Petition. "On the left side margin a rubber stamp which says:

First District Court in Administrative Matters. Mexico, D. F., Dec. 9, 1947.—At 10:30 A. M.

Citizen Judge of the First District Court of the Federal District In Administrative Matters.

Vicente Mac-Gregor, with the capacity shown in suit for injunction 2015/46 brought by the Bulova Watch Company, Inc., against acts of the Secretary and Chief Clerk of National Economy and Director of Industrial Property, [fol. 476] on account of the judgment rendered in the administrative suit for nullity of trade-mark 33602, called "Bulova", respectfully says:

That I present an appeal (recurso de revision) from the judgment rendered in the aforesaid injunction suit, basing it on Articles 27, 82, 83, Section IV, 84, 85, etc. of the Law of Injunctions (Ley de Amparo); and I state the exceptions which my principal has entered to the said judgment as follows:

First Exception:—The Judge arbitrarily modified the terms of the quasi-contract of the "litis" which the petition and its answer formed in the administrative suit against which ruling the present injunction suit was filed.

In effect: The Judge modified the terms of said quasi-contract on account of having based his judgment on alleged violations of Section I of Article 39 of the Law of Trade-Marks of 1928, which Section establishes causes of nullity totally distinct from that established by Section IV of Article 200 of the Law of Trade-Marks in force; which last Section was the only one on which the complainant based its amended action, that is, its action based on supposed false statements alleged by the complainant to have

been made in the application for registration of trade-mark 33602.

The foregoing is evident, since Section IV of Article 200 of the Law in force establishes a case of nullity arising out of false statements in a trade-mark, and Section I of Article 39 of the Law of 1928 is not the one which establishes the same case of nullity. Section V of the same Article 39 being the one which establishes the said case of nullity.

[fol. 477] Second Exception: — The Judge Constitutes Himself A Legislator In Adding A Cause for Nullity of the Registration of A Trade-Mark to the Causes Established By the Law.

In effect, in the judgment rendered in the injunction suit it is said that the insertion of false information in an application for registration the nullity of that registration. That affirmation contains the anti-juridical arbitrariness above set out, that the judge constitutes himself a legislator and adds, as I have already said, a cause of nullity of the registration of a trade-mark to those established by the Law, thus violating the juridical precept which establishes: that nullities are of strict law, that is to say, that they can only be applied in those cases provided for by Law and they may not be applied to other cases either by analogy or by better reasoning. And, in matters of nullity, the letter of the Law must be accepted in all its force without any extension, and must be restricted to the object of the case in which it may be applied without extending it to other cases. (Escriche defines the words Derecho Estricto (strict law), saying that "i is an expression which designates the letter of the Law accepted in all of its force without any extension; and thus, when it is said that a thing is of strict law, it means that it must be judged according to the literal sence of the Law, and that the disposition of the Law must be restricted to the object and to the case in which it is applied without extending it to others")

I have set forth exhaustively in the pleadings I filed in the present amparo suit that the Law only establishes as a cause of nullity of the registration of a trade-mark statements contained in the trade-mark itself: The Law does not establish as a cause of nullity of the registration

of a trade-mark false statements which may be made in [fol. 478] the application for the said trade-mark. The Judge took into account this distinction, as can be seen in said judgment, a distinction which is that false affirmations made in a trade-mark is one thing and false affirmations made on the application for the said trade-mark is another. In order to overcome this difficulty, owing to the evident partiality of the judge in favor of the complainant, the said judge modified the terms of the aforesaid quasi-contract of "litis" and attempted to consider the amended petition in the administrative suit on a cause distinct from the one provided for in Section IV of Article 200 of the Law in force, a Section which corresponds, as to the cause of nullity to which it referred to, to Section V of Article 39 of the Law of Trade-Marks of 1928. And thus it was that the judge tried to make it appear that the cause of action exercised in the amended administrative petition was based on Section I of Article 39 above referred to. But the action for nullity exercised by the complainant not being able to prosper even by basing it on that Section I if said Section is interpreted in its letter or literal sense, the judge disregarded completely the juridical principal above established, that nullities are of strict law and he appeared to forget that "strict law" means the letter of the law in all its force without any extension. Therefore, notwithstanding that the aforesaid Section I only establishes as a cause of nullity of registration the fact that such Registration may have been effectuated contrary to the provisions of the Law, he amended that cause of nullity to supposed violations not of the Law, but of the Regulations of the Law. Now, if Section I speaks of violations of the Law, that Section must be interpreted in its literal sense, and as said Section says "violations of the Law" and does not say violations of the Law and the Regulations, the judge should not have held that supposed violations of the Regulations are causes of nullity.

[fol. 479] It would have sufficed if the judge had recognized, as did the responsible authority, that nullity on account of violations of the Regulations did not lie, since the Law only establishes it for violations of the Law itself, and to go no further (as it went no further before the ad-

ministrative authority) and dismiss the petition of the complainant for nullity without considering whether or not there were false statements made by my principal in the application for registration of trade-mark 33602. But in that case the judge could not have aided the complainant nor by modifying, as he did, the terms of the quasi-contract of the "litis"; and in his desire to rule in favor of the complainant, after having arbitrarily held that false statements in the application for registration attributed to my principal are a cause for nullity, he caused the latter the

Third Exception, Which Is That the Judge Took Into Consideration As to Whether Or Not There Were False Affirmations In the Application Referred to, And Arrived At the Conclusion That There Were Without Having Analysed And Evaluated the Proofs On Which He Says He Based That Conclusion.

In effect the judge literally says: "having stated in the respective application that the location of the factory is Switzerland, such affirmation not being in keeping with the truth, as has been proved by the proofs presented by the complainant in this suit, the same that were accepted in the administrative proceeding." From what I have just transcribed it is evidence that the Judge based his conclusion on proofs presented in the injunction suit only. Those proofs were presented in the injunction suit, because the complainant could not present them in the administrative suit within the time fixed by the Law of Trade-Marks for the regulation of this suit. And by reason thereof, the [fol. 480] Judge "did not weigh the act complained of as it appeared proved before the responsible authority and took into account proofs that were not presented before said authority, giving rise thereby to the

Fourth Exception, Which Is the Violation of the Provisions of Paragraph I of Article 78 of the Law of Injunctions.

Fifth Exception.--The Judge Accepted As Proved Without It Being Proved, That the Statements Inserted In the Said Application for Registration As to the Location of the Factory of the Watches Which My Principal Sells Are False.

If the Judge had to support his decision in order to aid the complainant by proofs distinct from those which the responsible authority had at sight, it was due to the fact that the falsity of the statements made by my principal in the aforesaid application for registration was not proved before that authority. But even those same proofs (those presented in the injunction suit and not in the administrative suit) do not show that there were false statements in the said application, because they attempt to prove a negative act and negative acts are not susceptible of proof. That negative fact is the affirmation that the complaint makes that the watches which my principal sells in Mexico covered by the National trade-mark "Bulova" are not made in Switzerland. The truth is that the watches are made in Switzerland, although no trade-mark is put on them in Switzerland, but the trade-mark Bulova, on account of being Mexican, is put on them in Mexico.

Sixth Exception:—The statement made by the judge that the responsible authority recognized, in the final [fol. 481] part of the ruling rendered in the administrative suit that false statements were in the application for registration referred to several times, is false.

In effect: The responsible authority only said: that it was useless to consider if there really were false statements in the application under study, since such statements, on account of not being made on the trade-mark itself, could not be a cause of nullity.

By reason of the above.

I Respectfully Pray That You Be Pleased:

First.—To accept the present petition and Legal copies; and

Second.—To hold that the present appeal is filed in time and form.

I Protest The Necessary.

Mexico, D. F., October 8, 1947.

Vicente Mac-Gregor.—Scroll.

APPELLEES' EXHIBIT T-13

Appeal filed by the Secretariat of National Economy in amparo suit brought by the Bulova Watch Co., Inc., of New York, and also petition (dated March 16, 1948) addressed to the Supreme Court of Mexico by Vicente MacGregor, representing Sidney Steele, the third prejudiced [fol. 482] party, and petition dated April 5, 1948, addressed to the Supreme Court by the Department of National Economy.

* * * * * * * * *

Attorney Elpidia Manrique General Secretary (Chief Clerk) of Judgments of the Supreme Court of Justice of the Nation,

Certifies:—that in file number 9071 of the year 1947, relative to the suit for injunction brought by Bulova Watch Co., Inc. of New York against acts of the Secretariat of National Economy, there appear the following instruments:

In the upper part: Seal with the Great Seal of the Nation which says:—Federal Executive Power.—Mexico, D. F.—United Mexican States.—Secretariat of Economy.—Reg.-3769.—Official Agency Office of the Legal Department.—Section Desk Number of official communication 2461.—File 38/301.2(05)—/628.—Subject:—Appeal is filed from the final judgment rendered in the injunction suit 2015/46, brought by the Bulova Watch Co. of New York.—Mexico, D. F., December 11, 1947.—Hon. Supreme Court of Justice of the Nation.—City.—On the 8th of the present month, there was received in this Secretariat official communication 45596 of November 28th last, by means of which the Judge of the First District Court of the Federal District in Administrative Matters served notice of the judgment rendered in the suit for amparo 2015/46 brought by the Bulova Watch Co. of New York against acts of this Secretariat and other authorities. By virtue of the fact that said judgment aggrieves this responsible authority, and being in time, by means of the present instrument I take an appeal from the same (recurso de revision), based [fol. 483] on Articles 83, Section IV, 84, and 85, of the Law

of Injunctions (Ley de Amparo) in the following terms:

. . . . . .

Exceptions.

Sole.—The final judgment referred to aggrieves this responsible authority in its first resolution point in granting the injunction and protection to the complainant against the acts which it complains of, because it under-estimates the reasons given in the substantiated report.—In effect, the Judge trying the case, endeavoring to support the judgment referred to, affirms that upon making application for the registration of the trade mark Bulova Watch Co. of New York, false data was furnished relative to the location of the factory which makes the objects subject to the trade mark, and that this affords a reason for the nullity of the registry in the terms of Article 39 Section I, in relation to Section V of the Law of Trade Marks of 1928. The Judge in the case suffered an error in the evaluation shown, because in the proceedings of the case it appears that Mr. Sidney Steel received watch parts and watches already assembled from Switzerland, without any mark whatsoever, the same parts which the owner of the said trade mark assembled and imprinted the trade mark issued in his favor on the product and on the watches which he received already assembled. The indication in the application as to the location of the factory of origin of the product which the trade mark covers fulfilled the requisite which Article 1 of the Regulations of the Law cited in its Subsection F), since this provision only required the expression of the city, street and number of the house occupied by the factory, when the latter should be in the Mexican Republic.—Therefore, the falsity not being shown of the data relative to the location of the factory which the Judge in the case invokes in endeavoring to support his decision, no reason exists [fol. 484] to decree the nullity of the registration of the said trade mark as the complainant seeks to do. Therefore, the final judgment which is appealed from, upon granting the injunction to the complainant against a negative act of nullification of the registration of National trade mark 33602, aggrieves this responsible authority on account of violating express legal provisions.—Wherefore,

and basing my action on the legal provisions cited, I pray the Hon. Supreme Court of Justice of the Nation that it may be pleased:—I. To hold that this appeal from the final judgment rendered by the Judge of the First District Court of the Federal District in Administrative Matters in the suit for injunction 2015/46, brought by the Bulova Watch Co. of New York, has been filed in due time and manner.—II.—To revoke in due time the judgment appealed from and deny to the complainant the injunction and protection of the Federal Justice.—I reiterate to the Hon. Supreme Court of Justice of the Nation the assurance of my respectful and distinguished consideration.—

Effective Suffrage. No Re-Election. By Order of the Secretary.—The Chief Clerk.—M. A. Munoz.—Scroll.—Atty. Marco Antonio.

* * * * * * *

Citizen Ministers of the Supreme Court of Justice. . . . Vicente Mac-Gregor, in representation of Mr. Sidney Steele (Third Prejudiced Party) in file 9071/47 relative to the revision of the injunction suit 2015/46 brought by the Bulova Watch Company before the First Judge of the District Court against acts of the Secretary of National Economy and other officials of the same Secretariat, before you respectfully says:—The Bulova Watch Co. applied to [fol. 485] the Secretariat of National Economy for the nullity of the registration of trade mark number 33602 belonging to Mr. Steele, alleging that the latter had given false information in the application for registration of that trade mark, and basing its suit on Section IV of Article 200 of the Law of Trade Marks in force.—The administrative authority, taking into account that the said Section IV establishes nullity of a registry when false data are given in using the trade mark, but not when false data are given in the application for registration, and considering, with juridical criterion that nullities are of strict law and that it is not in order to extend a nullity to other cases either by anology or by better reasoning, did not grant the nullity without considering if the data given in the application for the registration were false or not, inasmuch as, even supposing them false, they would not constitute a cause for

nullity.—Urging as a pretext that the responsible authority did not consider if the data referred to was false or not, the Bulova Watch Co. sought an injunction against the administrative ruling, and in that injunction suit presented some pseudo proofs, (which were not presented before the administrative authority, in spite of the fact that they were conceded the maximum periods which the Law of Trade Marks establishes within which to present proofs) referring to the non-existence of factories in Switzerland which make watches with the trade mark Bulova. Admitting those proofs (of a negative fact impossible of being proved), in violation of the categorical disposition of the Law of Injunctions which does not permit that District Judges may take into consideration proofs which have not been presented before the administrative authority, and assuming that the application for nullity was based, not on Section IV of Article 200 of the Law of Trade-Marks, but on a Law previous to the one in force not even cited by the Bulova, [fol. 486] and lastly, seeking to apply nullities established by that previous law to omissions of requisites established by the Regulations of the same law, thereby violating for the second time the precept that nullities are of strict law, the District Judge granted the injunction.—An appeal (revision) was filed based on exceptions which will later be entered at the same time as it will be shown that they have been duly proved.

First Exception.—This exception is that "the judge modified arbitrarily the terms of the quasi-contract of the litis (suit) which the petition and its answer in the administrative suit formed against which ruling a suit for injunction was filed." . . . This exception is fully proved: . . . 1st. By the petition of the Bulova before the administrative authority (which was transcribed in the substantiated report of that authority and in the certified copy of the administrative file which the third injured party presented); and 2nd. By the judgment rendered in the injunction suit. In effect, in the petition it may be seen that the action for nullity brought by the Bulova was based on Section IV of Article 200 of the Law of Trade Marks in force; and in the judgment it may be seen that the District Judge based his resolution on Section I of Article 39 of the Law

of 1928. Now then, from a simple reading of those two Sections before cited it is evident that two entirely different causes of nullity are referred to.

Second Exception: This exception is that the "judge constituted himself a legislator in adding a cause of nullity of the registration of a trade mark to those causes established by the Law. In order to accept this exception is fully proved, it is enough to see that neither the Law of [fol. 487] Trade Marks in force, nor that of 1928, establish as a cause of nullity of a trade mark false statements which may be made in the application for registration, but only false allegations on the trade mark itself.

Third Exception:—This exception is that the judge took into consideration as to whether or not there were false statements in the application for registration, and he arrived at the conclusion that there were without having analyzed and evaluated the proofs on which he says he based that conclusion.—A reading of the judgment rendered in the injunction suit is enough to prove this exception. No analysis or evaluation of the proofs on which the judge based his resolution that there were false statements in the application for registration of the trade mark Bulova are found in the judgment. Moreover, there does not exist in the original file or in the relative proceedings any document from which it may even be presumed that there were false statements.

Fourth Exception:—This exception is that the District Judge took into consideration proofs which were not presented before the responsible authority and that do not even exist.—The paragraph of the judgment rendered in the injunction suit, which is hereinafter transcribed, is full proof of the exception we are considering. This paragraph says: "it having been shown in the respective application that the location of the factory in Switzerland, without such affirmation being in conformity with the truth, as shown by the proofs presented by the plaintiff in this suit."

Fifth Exception:—This exception is that "the judge considered as proved, without such being the case, that the [fol. 488] statements as to location of the factory of the watches which Mr. Steel sells, made in the said application for registration, are false."—This exception is fully proved

with the documents (presented by the Bulova in the injunction suit but not in the administrative suit), with which it attempted to prove a negative fact (impossible to prove as are all negative facts), that is that the watches which Steel sells covered by the trade mark Bulova are not manufactured in Switzerland, but that it is in Mexico where they are stamped or engraved with the national trade mark Bulova.—

Sixth Exception.—This is that the District Judge stated a falsity in his judgment in affirming that the responsible authority recognized in the final part of the judgment rendered in the administrative suit that false statements were made in the application for registration. This exception is proved by the ruling rendered in the administrative suit (ruling transcribed in the substantiated report and in the certified copy of the administrative file presented as proof by the third injured party). Since no paragraph can be found in the ruling referred to in which the responsible authority recognized that false statements were made in the application for registration; there being only one paragraph in which the responsible authority assumes, for the sake of argument, that fact for the sole purpose of arriving at conclusions against the petition of the Bulova, although within that assumption unfavorable for Steele. The exception being fully proved, I pray that You Citizen Ministers, be pleased: To revoke the judgment rendered by the District Judge and declare that the Justice of the Union does not grant an injunction and that it does not protect the Bulova Watch Co.

[fol. 489] I Protest The Necessary.—Mexico, D. F., March 16, 1948. V. Mac-Gregor. Scroll.—Atty. Vicente Mac-Gregor.

. . . . . .

02771. Proc. 143/48.—File 9071/48. Mexico, April 5, 1948.—Hon. Supreme Court:—The First District Judge in Administrative Matters of the Federal District granted an injunction in favor of the Bulova Watch Company, Inc. of New York, on account of violation of Article 14 of the Constitution against acts of the Secretary of National Economy, the Chief Clerk of the said Secretariat and the Director of Industrial Property of the same Official Agency, consisting of the ruling relative to the petition for nullity of

the registration of national trade mark number 33602 called Bulova, a ruling whose substantial part establishes that the Secretariat, in the exercise of the faculty which Article 208 of the Law of Industrial Property in force grants it, and based on Article 2 transitory of the same in relation to Article 39 Sections I and V of the Law of Trade Marks of 1928, denies the declaration of nullity of the national trade mark 33602 called Bulova, property of Mr. Sidney Steele. . . . . The concept on which the Judge granted the injunction is as follows: because in the application for registration of the trade mark a false statement was made, which is the one with reference to the location of the factory of Bulova watches and that implies the nullity of the registration in accordance with Articles 1, 39, Section I and 75 of the Law of Trade Marks of 1928 and 1 Sub-section (f) of its Regulations; because, although in conformity with Article 9 of the said Law, it was not necessary to obtain the registration of a trade mark that the location of the factory where the objects are made should be stated, it was necessary in conformity with Article 1 Sub-[fol. 490] section (f) of the Regulations of the Law, that provision having to be complemented with the latter of the Regulations which cannot be passed unnoticed, since the regulations on account of their own nature are of necessary application, as they tend in a primordial and immediate way to complement or supply the gaps in the Laws; and to hold otherwise would be to arrive at the absurdity of inapplicability and the juridical inefficacy of the Regulations. Moreover, Article 1 of the Law of Trade Marks of 1928 establishes that whoever desires to acquire the exclusive right to use a trade mark must fulfill the formalities required by the Law and its Regulations, it is unquestionable that the ruling challenged incorrectly applies the legal provisions to the principle, because it having been shown in the application for registration that the factory was in Switzerland, without such being true according to the proofs presented in this suit by the plaintiff, the same that were admitted in the administrative proceeding and as was recognized also, although ambiguously, in the final part of the ruling challenged, it is indubitable that the falsity of that information gives ground for the nullity of the registration

of the trade mark in the terms of Article 39 Sections I and V of the invoked Law of Trade Marks of 1928 is motivated; because it is incorrect to say that a trade mark may be attacked for nullity only when the falsity of information exists in the trade mark itself, that is, in the material notice which is put on each object. If the law fixes certain requisites to obtain a registration, to be guilty of a falsity in seeking to comply with them necessarily causes the falsity of the trade mark, since the prerequisites fixed by the Law were not satisfied, especially in regard to the location of the factory of the product, which on [fol. 491] account of its very nature induces the public to deception with respect to the legitimacy of the product. To argue the contrary, as is done in the ruling challenged is tantamount to the desire to sanction a wrongful act to the prejudice of the consuming public, forgetting that it is the authorities who are themselves charged with granting a right and are the very ones who have the inevitable duty of being vigilant in the interests of the public, taking care that these are sufficiently protected and guaranteed in such a manner that even in case they were surprised in granting the right, they may nevertheless, upon discovering the violation, apply the remedy and impede the continuation of the wrongful or fraudulent act in the benefit of the community. The thesis advanced in the ruling complained of that in the event of the falsity of information as to the location furnished by the interested party, the deception or error is only that of the Secretariat and not of the public is not acceptable; for if such criterion were accepted, it would be tantamount to agreeing that, although the authority has the means to avoid fraud, yet the public must accept as good those wrongful acts which have been sanctioned thru error. In order precisely to avoid such anomalies there exists among other sanctions that of nullity, which while it must be used with caution, does not hinder its application in those cases clearly established in which prohibitive dispositions or those of a general character are violated, as in the case under consideration, in which the responsible authorities recognize that there was a falsity in the declaration, although holding that such act does not contravene Article 9 of the Law of

Trade Marks of 1928. This is an error, since, as has been said, that provision is complemented by Art. 1 of the Regulations, and hence the point under consideration is com- [fol. 492] prised within Article 39 Sections I and V. Therefore, if it is proved that a false statement was made in soliciting the registration, the exception which is being studied under this heading must be declared to lie, since the legal provisions first cited have been incorrectly applied to the prejudice of the complainant, and in violation of the guarantee given by Article 14 of the Constitution.— The Secretariat of National Economy, thru its Chief Clerk and the Chief Clerk on his own behalf and the representative of the third injured party, Sidney Steele, not being in conformity with the judgment of the District Court, filed an appeal (revision) all of them alleging the exceptions which in their opinion the judgment appealed from has occasioned them, exceptions that, as provided in Article 90 of the Law of Injunctions (Ley de Amparo) are the only questions which the revision should consider, in the same manner that the concepts of violation alleged in the petition for injunction are the only ones which the District Judge could legally consider in rendering judgment.—It was alleged in said petition as a concept of violation that in spite of its having been fully shown before the responsible authorities that Mr. Steele violated in all bad faith the Law of Trade-Marks and its Regulations, because in his application for registration he gave false information and registered a proper name as a trade-mark without the corresponding permit of its owner, thus violating Article 1 of the Law and 1 Subsection (f) of its Regulations, as well as Art. 7, Sections VI and IX of the former, the ruling challenged says that the Regulations and the Law should not be taken into account, without taking into account the definite provision of Art. 39 Section I of the Law of Trade-Marks, Advertisements and Commercial Names.— And in another place in the same petition it is said that [fol. 493] the ruling complained of was rendered against the letter of the Law itself, with the consequent violation of Article 14 of the Constitution, resulting in the weakening and denial of the existence of legal precepts, since it denies the existence of the final part of Article 1, 5 Section

IX and Article 8 of the Law as well as that of Sub-section (f) of Article 1 of the Regulations in force at the time of the registration.—In no part of the petition was the violation of Section V of Article 39 of the Law of Trade-Marks of 1928 alleged, in conformity with which the registration of a trade-mark is null when the latter contains false statements with respect to the origin of the effects which it covers, with respect to the location of the industrial or commercial establishment or of the owner of the trade-mark, or with respect to medals, diplomas or prizes which may not have been obtained, or when a false declaration as to the date on which the use of the trade-mark was commenced may have been made. Notwithstanding that no allegation was made of the violation of said precept, the District Judge, supplying the notorious deficiency of the petition on this point, and varying it, considers such violation in existence and by reason thereof fundamentally concedes the protection solicited, because interpreting the said precept of the Law, he says that to be guilty of a falsity in complying with any of the requisites which the Law exacts for the registration of a trade mark must necessarily cause that of the trade mark itself on account of not having satisfied the prerequisites of the Law, especially that relative to the location of the producing factory of the object to which the trade mark is applied. That if the responsible authorities recognize that there was falsity in the declaration, the point or contention comes within [fol. 494] the provisions of Article 39 Sections I and V of the Law.—The judgment of the Court, besides being officious in the application of Section V of Article 39, violation of which was not alleged in the petition, is erroneous in that it considers that because a false statement as to the location of the factory was made in applying for the registration, those cases of nullity established in Sections I and V of the said article 39 have been incurred. The first of these precepts provides that a registration is null when it may have been made contrary to the provisions of the Law of Trade-Marks of 1928 or of the Laws that were in force at the time of the registration.—And the second provides that registration of a trade mark will be null when it, the trade mark, may contain false statements with respect to

the origin of the effects which it covers, the location of the industrial or commercial establishment or of the owner of the trade mark, or with respect to medals, diplomas or prizes which may not have been obtained, or when, although this does not appear on the trade mark, there may have been made a false declaration as to the date on which the use of the trade mark was commenced.—Laws which refer to nullities being of rigorous and strict application, including administrative nullities, it is incontrovertible that the nullity of the registration of a trade mark granted during the operation of that Law may be declared only on account of the express causes determined in Article 39 of the Law of Trade Marks of 1928, without any application by analogy or by better reasoning in the matter being resorted to. If then, it is claimed that the registration of the trade mark Bulova made by Sidney Steele, is null on account of the causes established in Sections I [fol. 495] and V of the said article 39, it must be proved, first, that upon effecting the registry some provision of the law was violated, and second, that the said trade mark Bulova contains some false statement with respect to the origin of the watches covered by it, or the location of the industrial or commercial establishment or of the owner of the trade mark, or with respect to medals, diplomas or prizes not obtained, or that a false declaration of the date on which the use of the trade mark was commenced was made, the latter declaration which must be made, in conformity with Section V of Article 9 of the Law, in applying for the registration before the Department of Industrial Property.—In the case of the trade mark Bulova registered by Sidney Steele, it does not appear that the trade mark has any false indication relative to the origin of the watches or to the location of the industrial or commercial establishment, or of the owner, nor relative to medals, diplomas or prizes, nor does it appear that the declaration which must be made with respect to the date on which the use of said trade mark was commenced is false.—Thru error, therefore, the District Judge has considered the case comprehended in Section V of Article 39 of the Law of Trade Marks of 1928, making an incorrect application of such precept, violating it on account thereof, in saying

that in conformity thereto the responsible authority ought to have declared the nullity of the registration, and in estimating that on account of not having done so, it violated to the prejudice of the complainant the guarantee contained in Article 14 of the Constitution.—And the District Judge, notwithstanding that a nullity was being dealt with, did not subject himself to the rigorous and strict application of the Law, including therein a fact not expressly determined in the same as a cause of nullity, which is that a false declaration was made in applying for the [fol. 496] registration with respect to the place of manufacture of the objects, a fact which appears to the Judge ought to be a cause of nullity for the reasons which he states in his judgment. But it is not, as is wisely considered in the ruling complained of, on account of the sole reason that the Law does not establish it expressly, and it should be noticed that, dealing with nullities express law is the supreme and only reason to which attention should be given.—Insofar as the cause of nullity established in Section I of the said Article 39 is concerned, it must be observed that neither was this proved, as it is not proved that the registration of the trade mark Bulova was made contrary to any provision of the Law of Trade Marks of 1928, which was then in force.—The complainant contends in its petition that the registration was made contrary to Articles 1 and 7 Sections VI and IX of the Law of Trade Marks of 1928, because Mr. Steel, upon applying for the registration, made a false statement when he said that the watches were manufactured in Switzerland, and because a proper name was registered without the permit of its owner. In the first place, the falsity of the declaration of Mr. Steel was not fully proved before the responsible authority, by reason of which the ruling complained of, which must be weighed according to the facts as they were proved at the time it was rendered, cannot be considered illegal in that such alleged cause of nullity was not held to be proved. And in the second place, Article 1 of the Law, which is cited as violated, does not require as a condition for registration that a declaration be made of the place where the products are manufactured, a requirement which Article 9 of the said Law also does not contain.—And in-

sofar as the violation of Sections VI and IX of Article 8 is concerned, it is enough to say that neither was this [fol. 497] proved before the responsible authorities, as it was not shown before them that the name Bulova, registered as a trade mark, was the exclusive proper name of an individual whose consent might be necessary in order to use the trade mark, nor is it apparent that the use of such name as a trade mark would induce the public to error with reference to the origin of the watches covered by same.—Therefore, no violation of any precept of the Law of Trade Marks of 1928 having been shown, there could not be a cause to declare the nullity based on Section I of Article 39 of said Law, and consequently, the ruling complained of which correctly applied this precept, did not violate it, nor did it violate the guarantee contained in Article 14 of the Federal Constitution, it being just, for such reason, that the complainant be denied the protection applied for.—The District Judge, in considering the case of the registration of the trade-mark Bulova comprehended within the nullity provided by said Section I of Article 39, did not limit himself to the single, rigorous and strict application of the Law, as he should have done in treating of the nullity which must be based, as are all nullities, on express law exactly applicable to the case. He did not do that, but, making extensive use of the application of said Section I of Article 39 to cases not expressly comprehended within it, he also considered as a cause of nullity the registration of a trade mark the violation of a provision of the Regulations of the Law of Trade Marks, that of Subsection (f) of Article 1, because Mr. Steele was guilty of a falsity in indicating the location of the factory of the watches covered by the Bulova trade mark.—The incorrect application of Article 39, Section I is then evident, as that article does not consider as a cause of nullity more than the violations of the provisions of the Law, but not [fol. 498] those relative to provisions of the Regulations, the latter violations which, however patent they may be, can never be a cause of nullity of a registration, for the reason that nullity can only be decreed on account of a cause expressly established by the Law.—By reason of the above, the judgment appealed from which conceded to

the Bulova Watch Company, Inc. of New York the injunction sought not being in accordance with law, and the exceptions alleged in the revision being shown, I pray the Supreme Court to revoke said judgment and in lieu thereof to deny the complainant the protection of the Federal Justice. I protest my respect. The Deputy Clerk.—E. Barrios Collantes.—Scroll. Atty. Ernest Barrios Collantes.

The present certified copy is issued in compliance with order in the proceedings of this date, entered in file number 9071 of the year 1947, relative to the suit for injunction brought by Bulova Watch Co. Inc., of New York, against acts of the Secretariat of National Economy.

Mexico, Federal District, September 7, 1949.—Interlineation:—with respect to the origin of the effects which it covers. Correct.

E. MANRIQUE,
(E. Manrique.)

* * * * * * *

APPELLEES' EXHIBIT T-14

Judgment of the Supreme Court of Mexico, dated June 24, 1948, revoking judgment of the District Court (T-11) and denying amparo sought by Bulova Watch Co. Inc.

* * * * * * *

[fol. 499] Citizen Attorney, Elpidio Manrique, Chief Recording Clerk of the Supreme Court of Justice of the Nation,

Certifies: that in file No. 9071 of the year 1947, relative to the injunction suit filed by Bulova Watch Co., Inc. of New York, against acts of the Secretary of National Economy, Chief Clerk of said Department, and the Director of Industrial Property, there is a judgment which says:

Mexico, Federal District, Second Chamber of the Supreme Court of Justice of the Nation. Decision dated June 24, 1948. The revision in this injunction suit having been examined, and;

Whereas, the proceedings have been as follows:

I. By means of a petition filed September 27, 1947, before the First Administrative District Judge in the

Federal District, there appeared Jorge Kessel Jasven, on behalf of the Bulova Watch Co. Inc. of New York, suing for a writ of injunction (amparo) against acts of the Secretary and Chief Clerk of the Department of National Economy and the Director of Industrial Property, an agency of the said Department, said acts being: A ruling that the second named of said authorities rendered declaring that the suit to nullify the registration of National Trademark 33602 called Bulova does not lie (improcedente), as well as its execution by the last mentioned of said Authorities. That, in effect, the ruling complained of does not even fulfill any of the formalities of any administrative proceeding, as all of the dispositions which the Law of Trade-Marks, Advertisements and Commercial [fol. 500] Names, as well as its Regulations of 1928, in force at the time of the registration, were violated, as well as the disposition of the present law on the subject, since of the evidence submitted some were admitted and others were not and those admitted were not taken into consideration, they being arbitrarily disregarded; and in spite of the admission of Mr. Steel declaring in his application to have his factory in Switzerland, yet he never imported into nor produced Bulova watches in Switzerland, and the ruling complained of considers that admission as a possibility of proof contrary to the dispositions of the law referring to the value of evidence. That in spite of it also having been shown before the responsible authorities that said Mr. Steel violated with all bad faith not only the Law but its Regulations (Article I of the Law and I, Section F, of the Regulations, as well as Art. 7 of the Law, Sections VI and IX), as in his application for the registration of the trade-mark he gave false information and registered as a trade-mark a proper name without the corresponding permission of its owner, and the ruling complained of states that the Regulations and the Law should not be taken into account without taking into account the definite provision of Art. 39, Section I, and other related provisions of the Law of Trade-Marks and of Advertisements referred to, in force at the time of the registration. That the ruling complained of likewise sustains the thesis that although the Office of the

Director of Industrial Property was deceived, it must accept such fraud in view of the fact that the public is not defrauded, such as if the malicious silence and the violation of the Laws should not induce the public to error, since Mr. Steel maliciously does not put on his watches, as the law requires, "made in Mexico," which suspicious [fol. 501] conformity becomes an illegal act and detrimental to the public, as well as to the third injured party, who are obliged to share an error of the responsible authorities. That in view of all the foregoing, the bad faith of Mr. Steel is shown, and consequently, the applicability of the final part of Article 75 of the Regulations of the Law of Trade-Marks and of Article 6b is of the International Convention for the protection of industrial property of March 20, 1883, revised at The Hague in 1925, and at present in force; but the ruling complained of without giving any explanations affirms "as indicated by the attorney for Sidney Steel, Art. 6b is of the Convention of the Union of Paris has no application," thereby infringing the provisions of Article 133 of the Federal Constitution. That, furthermore, the ruling complained of affirms that notwithstanding the Department recognized that it had been deceived by violations of the Law and its Regulations, sanctioned by penalties of nullity and others, this part should not be taken into account despite the violation of the articles of said Law already cited and of Article 75 of the same, the above conclusion being reached without any legal reasoning, but only on suspicious benevolences. The ruling complained of also states: "this Department deems that in view of the thesis asserted, it is unnecessary to consider the question of whether or not it was proved that the watches which Mr. Sidney Steel sold with the Trade-Mark Bulova are not manufactured in Switzerland;" that is to say, that the only cause of nullity which the Department took into consideration, it later deems it unnecessary to consider which is a further coincidence favorable to the interests of Steel. That the denial of the application for cancellation of the registration of National trade-mark 33602 is tantamount to the responsible authorities granting [fol. 502] the stamp of ingenuity to said Steel, in order that he may continue defrauding the public in selling

falsely watches under the name of Bulova made in Mexico, to the prejudice of a trade-mark accredited in the entire world. That, lastly, the ruling complained of was rendered against the letter of the law and in violation of Article 14 of the Constitution, and resulted in falsifying and denying the existence of legal precepts (it denies the existence of the final part of Articles 1, 5, Section IX, 8 of the Law, as well as Section F of Article 1 of its Regulations in force at the moment of registry), and in order to reach such weird affirmations, it loses itself in a series of sophistic considerations and dares to rely on theories which show a true lack of juridical knowledge and the absence of the most superficial concept of law.

II. The application was admitted. The Chief Clerk of the Department of National Economy, for himself and in behalf of the Director General of Industrial Property, who at the moment of filing the answer was on vacation, stated that as the acts complained of are the same which are imputed to the Department in question, he adopts fully the answer which said Department in justification files. This department in its answer after relating the antecedents of the case, admits that the act complained of is true, but that it does not violate guarantees for the reasons set forth therein.—

III. The District Judge granted the injunction because he deemed that the concepts of violation as regards the merits of the suit state a cause of action, because the plaintiff alleges that in the application for registration of trade-mark No. 33602, false information was given with respect to the location of the factory which produces the [fol. 503] objects which involves its nullity in conformity with Articles 1, 39, Subdivision I, 75, of the Law of Trade-Marks of 1928, and Art. 1; paragraph F, of its Regulations; and such allegation is correct, for in accordance with Article 9 of the said Law, among the requisites which must be complied with in order to obtain the registration of the trade-mark, the requisite of expressing the location of the factory where the objects are made is not mentioned, yet it is necessary to complement that provision with the provision contained in Art. 1 of the Regulations which provides that in order to obtain a registration within the terms of

Article 1 of the Law, an application must be formulated containing among other data Section F as to said location; and this precept cannot pass unnoticed, as is done in the ruling challenged on the ground that a provision of the regulations cannot amend the law, since the regulations by their very nature are of necessary application in that they aim essentially to complement or fill the gaps in the laws to which they refer; to hold the contrary view would be to arrive at an absurdity of inapplicability and thereby to the legal inefficiency of regulations; furthermore, in as much as said Art. 1 of the Law provides that whosoever seeks to acquire the exclusive right to the use of a trade-mark must fulfill the formalities and requisites which the law and its regulations establish, it is unquestionable that the ruling challenged does apply inaccurately the provisions (of law) cited, since it having been stated in the respective application that the location of the factory is Switzerland, without such affirmation being in keeping with the truth as is shown by the proofs submitted in the suit, which same proofs were admitted in the administrative proceeding,—a fact which although ambiguous, is also [fol. 504] recognized in the final part of said ruling,—it is indubitable that the falsity of this information gives cause for the nullity of the registration within the terms of Article 39, Section I, in relation to Section V, of the above-mentioned Law of Trade-Marks of 1928. That it is not correct that the trade-mark may be attacked for nullity only when the falsity of the information exists in the trade-mark itself, because if the law fixes definite requisites to be complied with in order to obtain the right to registration, it must follow necessarily that upon the applicant making a false statement the trade-mark is false on account of not having satisfied the requirements which the law fixes, especially with reference to the requisite of location of the factory which manufactures the product, thereby induces a fraud on the public with respect to its legitimacy. To argue otherwise, as does the ruling complained of, is equivalent to an attempt to sanction a wrongful act to the prejudice of the consuming public, because it must not be forgotten that it is precisely the authorities charged with granting a right, who have the unavoidable duty of being

watchful in order that the interests of the public may be protected in such a manner that, even in a case where they may have proceeded through misinformation, they may, upon learning of the violation, apply the remedy which prevents the subsistence of the wrongful or fraudulent act. The criterion set forth in the ruling complained of that in the event there a false statement has been furnished, the fraud or error was only that of the responsible authority cannot be accepted in any event, as it would be tantamount to saying that, although the authority has within its reach all of the means necessary to avoid fraud, the public must [fol. 505] accept as good and legal those wrongful acts sanctioned by error, for precisely to avoid these anomalies there exists among other penalties that of nullity; and, although it is true that the latter should be used with caution, this does not prevent that in those cases which clearly contravene prohibitive dispositions or those of general character, it should be applied, as in the case under consideration; because if the responsible authorities recognize that there is falsity in the declaration, even though deeming that such falsity is not contrary to Art. 9 of the Law of Trade-Marks of 1928 as has been said, this provision must be complemented by Art. 1 of the Regulations; and since the cited provisions which govern the matter have not been applied, the act complained of results in a violation of guarantees.—

IV. The responsible authorities and the third injured party, not being satisfied, filed an appeal for review. It was admitted, and the Assistant Attorney General of the Nation who intervened, asked that the judgment in question be revoked and that the injunction be denied.

Statement of Law.

First. The responsible authorities, in their petition for revision say that they are caused only the following exception: that the Judge, endeavoring to base his decision, affirms that upon making application for the registration of the Trade-Mark Bulova Watch Co. of New York, false information was given as to the location of the factory which manufactures the objects subject matter of the trademark, and that this gives cause for the nullity of the regis-

tration under the terms of Article 39, Section I, in relation [fol. 506] to Section V of the Law of Trade-Marks of 1928; but obviously the Judge committed an error of appreciation because in the record it appears that Mr. Sidney Steel received from Switzerland watch parts and watches already assembled without any mark whatsoever, which parts the said Steel assembled and printed on the product and the watches which he received already assembled the mark issued in his favor, and the indication in the application of the location of the factory of origin of the product which the Trade-Mark protects, fulfills the requisite set forth in Article 1 of the Regulations of the cited law in its Section F, because this provision only exacts the expression of the town, street and number of the house occupied by the factory when the factory is located in the Mexican Republic; accordingly, since there was no false information given as to the location, neither is there any reason to decree the nullity of the registration of the Trade-Mark involved herein; therefore, the District Judge violated the legal dispositions cited.—The third party, Sidney Steel, states the following exceptions:

First: That the District Judge modified arbitrarily the terms of the quasi-contract of the litigation. That in effect, he bases his decision on alleged violations of Section I of Article 39 of the Law of Trade-marks of 1928, which establishes causes of nullity totally distinct from those enumerated in Section IV of Article 200 of the present Trade-Mark Law, this last provision being the only one which the plaintiff invoked in his supplemental petition, that is, that his action was based upon false information inserted in the application for the registration of trade-mark No. 33602; and the foregoing is evident inasmuch as Section [fol. 507] IV of said Article 200 establishes a case of nullity on account of false information in a trade-mark and Section I of Article 39 of the Law of 1928 is not the article which establishes the same cause of nullity, but it is Section V of the same Article 39.

Secondly. That the Judge constitutes himself a legislator in adding a cause of nullity of registration of a trade-mark to those which the law provides. That in effect said decision says that the insertion of false information in an

application for registration implies the nullity of the same; but that affirmation contains the arbitrariness already exposed whereby the Judge constituting himself a legislator as he adds a cause of nullity distinct from those which the law establishes, and that he thereby infringes the juridical precept that nullities are based on strict law which may only be applied in those cases which the law provides, and no other cause may be added by analogy or on better reasoning, and that in the matter of nullities, the letter of the law must be observed in all rigidity without any extensions and must be restricted to the object and to the case in which it is to be applied. That appellant alleged that the law only establishes as a cause of nullity of registration of a trade-mark the indications contained on the mark itself, but not false indications which may be made in the application for the registry of same; and, although the Judge recognized that distinction, in order to overcome the difficulty granted his evident partiality, he modified the terms of the issue and attempted to hold that the supplemental petition in the administrative suit was based on a cause distinct from that provided by Section IV of Article 200 of the present Law, which Section corresponds to cause [fol. 508] of nullity to which Section V of Article 39 of the Trade-Mark Law of 1928 refers; and so he attempted to make it appear that the cause of action asserted in the supplemental petition filed in the administrative way was based upon Section I of Article 39 referred to; but inasmuch as the suit for nullity brought by the plaintiff could not prosper, even if it were based upon said division I, if it be considered according to its letter and literal sense, the Judge disregarded completely the juridical principle established above that nullities are based upon strict law, forgetting that strict law means the letter of the law itself; and so, notwithstanding that the aforesaid Section I only establishes as a cause of nullity of a registration the fact that it may have been effected against the provisions of the law, he amplified the cause of nullity with supposed contraventions not of the law but of its regulations. But if Section I speaks of violations of the law said Section must be taken literally into consideration and to the letter of same which says: "violations of the law" but it does

not say of the law and its regulations, for which reason the Judge should not have held as a cause of nullity supposed violations of the regulations. It would have been enough if the Judge had recognized, as did the responsible authority, that nullity on account of violations of the regulations would not lie and thus proceed no further with the case and dismiss it, but dismiss the suit of the plaintiff for nullity as did the responsible authority without considering if there was or not any false information given upon making application for the registration of trade-mark No. 33602; but in this situation, the Judge could not aid the plaintiff nor modify as he did the issues involved in the controversy.

[fol. 509] Thirdly: The District Judge considered whether or not there were false statements made in the application for registration, and he arrived at the conclusion that there were without having analyzed and weighed the proofs on which, as he says, he based that conclusion. That, in effect, he holds: "it having been shown in the respective application that the location of the factory is Switzerland, without such affirmation being in conformity with the truth as shown by the proofs presented by the plaintiff in this suit, the same proofs that were accepted in the administrative proceeding." Now this quotation shows that the Judge arrived at his conclusion on proofs presented in the injunction suit only, as the complainant was unable to present them in the administrative proceeding, and by reason thereof he did not weigh the act complained of as it was actually proved before the responsible authorities, and he took into account evidence that was not submitted before said authorities.

Fourthly: That the act consists of a violation of Section I of Article 78 of the Law of Injunction (Ley de Amparo).

Fifthly: That the Judge held that it was proved, without such being the case, that false information as to the location of the factory which makes the watches that the third party, defendant in the case, sells, was inserted in the aforesaid application for registration; but if the Judge in order to favor the plaintiff had to base his decision on proofs different from those which the responsible authority had for consideration, it is due to the fact that the falsity

of the statements made in the application for registration was not proved before the said authorities; but even these same proofs, those submitted in the suit, do not evidence [fol. 510] that there were any false statements in the application for registration, because they purport to prove a negative fact and negative facts are not susceptible of proof; and it is a negative fact the affirmation that the plaintiff makes that the watches which the third party defendant sells in Mexico under the National Trademark "Bulova" are not manufactured in Switzerland, although no trademark is affixed in Switzerland, but the trade-mark "Bulova," by reason of being a Mexican trade-mark, is placed thereon in Mexico.

Sixthly: That which the Judge affirms is false when he states that the responsible authority recognized in the final part of the resolution complained of that false statements were made in the application for registration. That in point of fact the responsible authority only said: it is useless to take up the consideration if there really were any false statements made in the application for registration, as such indications not having been made on the trade-mark itself could not be a cause for nullity.

Second Statement of Law

The objections are well taken in that the District Judge not only did not analyze the evidence but gave value to evidence not submitted in the proceeding from which the act complained of derives, and failed to take into consideration the act as was proved before the responsible authorities; but, on the other hand, in order to support his judgment he based it upon concepts of violation not invoked in the injunction suit. In effect, the application for nullity cites as a basis Articles 200, Section I, Arts. 105, Section IX and 190 of the Law of Industrial Property, in [fol. 511] force, issued on the 31st day of December, 1942; and it being answered was amplified, the appellant claiming that the case was comprehended within the terms of Article 39, Sections I and V of the Law of Trade-Marks of 1928; that is to say, that the controversy was reduced to the question of determining if registration of trade-mark No. 33602 called "Bulova" was made in violation of the dispositions

of the last law cited, and if the trade-mark contains false statements with respect to the origin of the objects which it covers, to which provisions the responsible authority limited its consideration, and rendered its ruling refusing to make the declaration of nullity sought. Now, the complaining party, Bulova Watch Co., Inc., of New York alleges in its petition for injunction a violation of its guarantees because the authorities did not examine the admission of Sidney Steel that he had submitted false information in his application for registry of the National Trade-mark "Bulova," thereby violating in all bad faith the Law as well as the Regulations (Art. I of the Law and Art. 1, Section f of the Regulations, as well as Art. 7 of the Law, Sections VI and IX); that is to say, that it is notorious that it did not claim Art. 39, Sections I and V of the Trade-mark Law of 1928 were infringed; and despite this circumstance, the District Judge relies on these dispositions and that of Section f of Art. 1 of the Regulations of said Law to grant the injunction. Therefore, he violated Articles 78 and 79 of the Regulatory Law on Injunctions (Amparo) as he proceeded officiously by supplementing of his own accord the deficiency of the complaint and failing to consider the act complained of in the terms in which it was proved before the responsible authorities. Furthermore, Art. 200, Section I of the law of 1942, cited as a ground of nullity, establishes that the registration of a [fol. 512] trade-mark is null and void when made in violation of the dispositions of the said law, or those that may have been in force at the time of its registry. Again, Art. 39, Sections I and V of the Law of 1928 in force at the time of the issuance of the registry of the trade-mark No. 33602 establishes also the nullity of the registration for violation of its dispositions or of those which may have been in force at the time in which it was made; and when the trade-mark contains false information with respect to the origin of the objects it may cover. As a consequence, it not having been alleged in the application that the law was violated on account of its containing false information, and furthermore, it not being proved by evidence submitted before the responsible authority that the said trade-mark contains false information, it is clear that the ground on which nullity

was invoked is not applicable, and as a result the responsible authorities did not infringe the above precepts, but rather, in denying relief applied them correctly. The District Judge based his opinion on Article 1, Section F of the Regulations of Law of 1928, stating that such provision should complement that of Section 1 of Article 39 on account of being regulatory and that, as false data was given as to the location of the factory that makes the products protected, he concludes that in granting the registration the law in force at the time was infringed. But this reasoning, besides its being officious, is incorrect. In effect, the causes of nullity are of strict law and other grounds not fixed by law on the subjects may not be applied, a principle of law that impels consideration only of compliance with the requisites for registration which the Law on the subject exacts; and the law of 1928 did not require the location of the factory making the products to be given. It is, therefore, unquestionable that the District Judge in-[fol. 513] fringed Art. 39, Section I of the Law in force at the time of the registry because he incorrectly applied this provision as also that of Section f of Art. 1 of the Regulations of said Law by admitting a cause not raised (challenged) in the administrative sphere; and also, because he purports to invoke a cause not contained in the law itself, and further, because he attempts to pass on proofs relating to falsity of information in the application for registration not submitted before the responsible authorities. According to the conclusions above stated, the act complained of is not a ground of violation of any individual guarantee, for which reason the judgment of the District Court under review must be revoked and the injunction denied. By reason of the foregoing, this Court hereby decides:

First: The judgment entered in the injunction suit to which this cause refers is revoked.—

Second: The Justice of the Union does not grant an injunction or protect the Bulova Watch Co., Inc., of New York against the alleged acts of the Secretary and Chief Clerk of the Department of National Economy and the Director of Industrial Property, an agency, of said De-

partment, consisting of a resolution which the authorities rendered declaring that the suit for nullity of the registration of national trade-mark number 33602 called Bulova, and against its execution by the last of said authorities, does not lie (improcedente).

Third: Let notice of this decision be served upon the parties and the decision published, and the records returned to the Court of origin with a certified copy of this [fol. 514] decision, and at the proper time, let the present file be sent to the archives.—Thus the Second Chamber of the Supreme Court decided it by unanimous vote of four justices, Justice Bartlett not being present during the session. This decision is signed by the Presiding Justice and the Justices who compose said Chamber, together with the Secretary who certifies. The Presiding Justice: Alfonso Francisco Ramirez.—The Associate Justices:—Franco Carreno.—Octavio Mendoza Gonzales.—Niceforo Guerro.—The Secretary: A. Magana.—(Signatures).

The present certified copy is issued in compliance with order of this date entered in file number nine thousand seventy one of the year nineteen hundred forty seven, relative to the suit for injunction filed by the Bulova Watch Co., Inc. of New York, against acts of the Secretary and Chief Clerk of the Secretariat of National Economy and the Director of Industrial Property.

Mexico, Federal District, on the twenty-third of July of one thousand nine hundred forty eight.

E. Manrique.

* * * * * * *

[fol. 515] APPELLEES' EXHIBIT T-15

Letter dated August 27, 1948, from the Director General of Industrial Property addressed to Jorge Kessel Jasven. General Office of Industrial Property Chief Clerk's Office

37—II—16513

Trade Mark 33602

The resolution contained in official communication numbers 23824 of September 10, 1946 and 29967 of December of the same year, is void.

Mexico, D. F. August 27, 1948.

Mr. Jorge Kessel Jasven, Ave. Francisco I. Madero #67, City.

On the 13th of this month, there was received in this Office your petition stating among other things that you deal in Bulova watches by the express authorization of this Secretariat accorded you in official communications 23824 of September 10, 1946 and 29967 of December of the same year.

Upon receipt of your petition, the file on this matter was examined and it was found that the so-called authorization to which you refer was signed by the Sub-Director, Mr. Florencio Cerda M. without having the indispensable approval of the highest authority, since it dealt with a [fol. 516] resolution which only the Secretary can render and since it created a right for you.

Consequently, said authorization is completely lacking in legal force, and this Office hastens to inform you of this fact, as said authorization should never have been given by any one not empowered thereto, and because at the present time national trade mark 33602 has been upheld (quedado firme) by the Supreme Court of Justice of the Nation, which affirmed the decision of this Secretariat in the matter and revoked the judgment of the First District Judge and granted a permanent injunction (amparo definitivamente) to Steel and Co. which firm must be protected against anyone who attempts to make use of said trademark.

In view of the above, the official communications to which you refer are declared void, as they contain a resolution which is void on account of not having been given by the only person who had the authority to do so.

Respectfully, Effective Suffrage—No Re-election the Director General, Atty. Juan Catano Flores.

cc—for Atty. Emilio Portes Gil.—Agent and attorney in fact for Steel Company, San Juan de Letran No. 9, 11th Floor, City.

cc—for the Legal Department, in order that it may be pleased to bring about the suspension of the injunction 499/47 of the First District Judge in Administrative Matters.

[fol. 517] APPELLEES' EXHIBIT T-16

Petition of George Kessel Jasven, dated September 8, 1948, in another amparo suit against the acts of the Secretariat of National Economy, wherein complaint is made of Official Communication described in Exhibit No. T-15 above; also Judgment of the First District Court dated December 23, 1949, dismissing the above suit for amparo.

* * * * * * *

Attorney Emilio Canseco Noriega, Clerk of the 1st District Court in Administrative Matters in the Federal District Certifies.—that in Injunction Suit No. 2313/49 brought by Jose Kessel Jasven against Acts of the Secretary of National Economy and others

there appear the following documents which to the letter say: Petition for Injunction

I. Name of the Complainant: George Kessel Jasven, Madero No. 67, Office 606

II. Third Prejudiced Party: Sidney Steele, with address at No. 9, San Juan de Letran, office 1101 to 1103.

III. Responsible Authorities: Secretary of National Economy and Director General of Industrial Property

IV. Act Complained of: The revocation of the orders and authorizations granted to the undersigned by the said Secretariat, which revocation was transmitted in official communication No. 37. II—16513.

[fol. 518] V. Guarantees Violated: Those consecrated by the pertinent part of Constitutional Articles 14 and 16.

VI. Grounds of Injunction: Article 1, paragraph I of the Law of Injunction.

Judge of the First District Court in Administrative Matters of the Federal District:

I, Jorge Kessel Jasven, in my own right, with office 106, at No. 1407 Ave. Francisco I. Madero, of this City, to receive notices, before you respectfully appear and say:

That I appe[illegible] to sue for an injunction and protection of the justice of the Union against acts of the Secretary of National Economy and Director General of Industrial Property, an agency of said Secretariat of National Economy and with reference thereto, and in accordance with

the provisions of Article 116 of the Law of Injunction, I state:

I. Name and Domicile of the Complainant: Those which I have mentioned in the preamble of this pleading.

II. Name and Domicile of the Third Prejudiced Party: Mr. Sidney Steele. San Juan de Letran No. 9, office 1101 and 1103.

III. Responsible Authorities: Those who I have already set out.

IV. Act Complained of: The order which revokes the express authorization granted to the undersigned by the [fol. 519] said Secretariat of National Economy, to deal freely in watches having the Bulova trade-mark, which authorization was communicated by means of official communication numbers 23824 of September, 1946, and 29967 of the same year, Sic:

V. Guarantees Violated: Those granted by the pertinent part of Constitutional Articles 14 and 16.

VI. Basis of the Injunction: Article I, paragraph I of the Law of Injunction.

Antecedents.

1st: On August 29th of last year, the undersigned appeared before the General Office of Industrial Property, a dependency of the Secretariat of National Economy and set forth a series of irregularities committed by the actual owner of national trade-mark 33602, called Bulova, upon using said trade-mark on the watches to which it is applied, and asked as a consequence that such irregularities and violations of the Law of Trade-marks and its Regulations, the authorizations to deal in the Mexican Republic in watches with said trade-mark imported from the Bulova factories located in the United States of North America.

2nd: The General Office of Industrial Property replied to the preceding communication by means of Official Communication No. 37/III.—23842 in which, after analyzing the case presented, concluded with the following ruling: [fol. 520] "Consequently, when circumstances are present which the transitory articles transcribed provide for, the owners of trade-marks lack the right to exercise the civil

and criminal actions which Title VIII of the Law of Industrial Property concedes against third parties."

"The above is communicated to you for your information and effects.

"Attentively"
Effective Suffrage. No Reelection
The Director General
Atty. Jorge Ugalde

3rd: I must call to Your Honor's attention that said official communication is signed by the then Director General of Industrial Property, Atty. Jorge Ugalde.

4th: As the answer given by means of the official communication partially transcribed was incomplete, I appeared anew before said Secretariat, insisting in my application for authorization to deal freely in the Mexican Republic in Bulova watches imported from the United States of North America. This petition which was carried out by means of writing dated December 15, 1946, was answered by official communication No. 37-III, 29967 of December 30 of the same year, expressly granting to me the authorization requested (textual copy of the respective paragraph).

"As a consequence of the above, your principal, Mr. Jorge Kessel Jasven can deal freely in watches having the "Bulova" trade-mark without incurring liabilities."

[fol. 521] 5th: Sidney Steele, third prejudiced party, filed a suit for injunction against said authorization before this same First District Court in Administrative matters, in Suit No. 499/947, which is still pending.

6th: When the undersigned obtained the authorization which was granted to him by means of the official communication which has been partially transcribed, he proceeded immediately to import watches for his own account from the "Bulova" factories located in the United States of North America which were placed, and are continuing to be placed, on the market.

7th: An inspector from the General Office of Industrial Property presented himself at my office during the month of August of the present year, to make an inspection for the purpose of certifying that the undersigned was dealing in watches with the trade-mark Bulova.

Fearing that the General Office of Industrial Property might give an order that would prejudice me without having previous knowledge of the steps that I was taking before it, I directed a respectful communication to the Director, calling to his attention the points of fact and of law in which I found myself, asking to be heard in any proceeding of suit which might be filed against me.

Such communication was answered by means of official communication No. 37-II-16513, dated August 27th, last, and received by the undersigned on the 6th day of the present month, which official communication reads textually as follows:

"Mr. Jorge Kessel Jasven. Ave. Francisco I. Madero.—67-City.

[fol. 522] "On the 13th of this month, there was received in this Office your petition stating among other things that you deal in Bulova watches by the express authorization of this Secretariat accorded you in official communications' 23824 of September 10, 1946 and 29967 of December of the same year."

"Upon receipt of your petition, the file on this matter was examined and it was found that the so-called authorization to which you refer was signed by the Sub-Director, Mr. Florencio Cerda M. without having the indispensable approval of the highest authority, since it dealt with a resolution which only the Secretary can render and since it created a right for you."

"Consequently, said authorization is completely lacking in legal force, and this Office hastens to inform you of this fact, as said authorization should never have been given by any one not having the faculty therefor, and because actually national trade-mark 33602 has been upheld by the Supreme Court of Justice of the Nation, which affirmed the decision of this Secretariat in the matter and revoked the judgment of the First District Judge and granted a permanent injunction (amparo definitivamente) to Steel and Co. which firm must be protected against anyone who attempts to make use of said trade-mark."

"In view of the above, the official communications which you refer to are declared void, as they contain a resolu-

tion which is void on account of not having been given by the only person who had the authority to do so."

Respectfully.

Effective Suffrage—No Re-Election.

[fol. 523] The Director General. Atty. Juan Catano Flores

Concepts of Violation.

Violations of Constitutional Article 14.

Constitutional Article 14 says textually in its pertinent part: "No one may be deprived of life, liberty or his property, Possessions or Rights, excepts by trial, before Courts previously established, in which the essential formalities of procedure are complied with, in conformity with laws enacted prior to the act."

The declaration which I complain of was made without having fulfilled one single requisite established by Title VI of the Law of Industrial Property. In fact, Article 229 of the Law indicates the previous necessity of an application for declaration of imitation or illegal use of a trade-mark and article 232 orders that notice be given to the person presumed to be affected by the action which has been alleged against him, article 233 thereafter setting out the manner in which it should be resolved.

By reason of the above the conclusion is reached that the authority referred to as responsible did not remotely follow the steps which the Law on the subject provides to render similar decisions, and having failed to follow the respective proceeding, the guarantees consecrated by Constitutional Article 14 which I have partially transcribed were violated to my prejudice.

The authorization granted to the undersigned to deal freely with watches having the Bulova trade-mark by means [fol. 524] of official communications 23824 of September, 1946, and 29967 of December of the same year, created in my favor a juridical situation which translates itself into a series of rights which cannot be taken away without a suit being previously filed, in which all of the essential formalities of respective procedure are followed:—

It is evident in this case that in order to make the ruling of which I complain, no suit was filed against me, nor were the formalities of the most elementary procedure complied

with; so that were such order to remain final the guarantees which the article partially transmitted grants would be flagrantly violated to my prejudice.

I have already stated that the present third prejudicied party presented a petition for injunction before this same First Court in Administrative Matters, against the authorization granted to the undersigned by the Secretariat of National Economy to deal freely in watches with the Bulova trade-mark. The said secretariat presented before said Court the corresponding reports by means of official communications 918, 924 and 925, which appear in the records of the repeatedly referred to injunction suit No. 499/947, such reports fully ratifying the authorization grant to the undersigned consolidating the juridical situation and the rights of which I cannot be dispossessed without previous legal procedure, in which I may be heard and overcome as the responsible authority attempts to do in violation of Constitutional Article 14.

The said authority, that is, the Secretary of National Economy, represented by the Chief Clerk and the General Office of Industrial Property, having appeared, represented by its director and sub-director by means of their respective [fol. 525] reports, in the injunction suit that Sidney Steele brought in accordance with paragraph II of Article 5 of the Law of Injunction, automatically acquired the character of parties to said suit, and therefore, in making the ruling on the situation presented by the complainant in its petition for injunction, they violate the most elementary principles of any proceeding, since they would become at one and the same time both judge and party, thereby violating once more Constitutional Article 14 to my prejudice.

Violations of Article 16

If we examine the articles of the Trade-Mark Law and its Regulations one by one, not a single one is found which empowers the Director of Industrial Property to attribute to himself powers which in this case only the Court has and as a last resort the Supreme Court of Justice of the Nation. In making the ruling of which I complain, the said Director of Industrial Property in fact is attributing to

himself such powers, because as I have already shown, the present third prejudiced party, Mr. Sidney Steele presented an injunction suit before this same Court which is about to render the corresponding decision, against which, in such case, an appeal will be in order; but the often-cited Director of Industrial Property, overlooking this circumstance, that is to say, that the case is under consideration by the Court, has rendered its decision resolving the merits of the case according to his best knowledge and understanding.

Consequently if the Law does not concede powers to the Director of Industrial Property to resolve a matter which is involved in a judical proceeding, this means that by the ruling in which he does such a thing he is causing me [fol. 526] damage to my possessions without having the authority to do it, and he is violating to my prejudice Constitutional Article 16.

The Supreme Court of Justice of the Nation has established a precedent (stare decisis) with a number of decisions uncontradicted up to this date, in the sense that administrative authorities cannot revoke their own rulings without violating the guarantees which are granted by Constitutional Article 16.

I must declare to Your Honor that the decision of the Supreme Court to which the responsible authority makes reference in the official communication with which is transmitted to me the act of which I complain, has no relation whatsoever to this matter and with my particular case, since said decision refers to a petition for nullity or registration of trade-mark 33602 filed by the Bulova Watch Co., Inc. of New York against Mr. Sidney Steele.

Suspension of Act Complained of

In accordance with the provisions of Articles 124 and 130 of the Law of Injunction, the provisional and permanent suspension of the act complained of lie, the requisites mentioned in those articles being met, and I offer in advance to execute the necessary bonds, once the corresponding steps have been had to such end when Your Honor is pleased to indicate it.

By reason of the above.

I Ask that Your Honor be pleased to:

[fol. 527] Hold that this petition for injunction has been presented, giving notice of it to the responsible authority, to the Asst. District Attorney, assigned to Your Court, and to the third prejudiced party, Mr. Sidney Steele, at the address shown by means of the respective copies which are attached. (Inclosures from 1 to 7).

II.—To ask from the responsible authorities the previous report and at the proper time the substantiated report, which they should present within the time provided for by Law.

III.—To suspend provisionally the act complained of, ordering that things be maintained in the state in which they now are until the corresponding decision has been had in the question of suspension which I am seeking in this case.

IV. After taking the corresponding steps towards such respective question, to suspend definitely the act which I complain of, to which end I am disposed, as I have said, to execute a bond to the satisfaction of Your Honor.

V. To pursue all of the steps in this case until a judgment is rendered, conceding to me the protection of the Justice of the Union against the authorities shown as responsible and on account of the acts of which I complain.

I Protest the Necessary.
Mexico, D. F. Sept. 8, 1948. An illegible signature.

[fol. 528] Jorge Kessel Jasven (Scroll).

A file mark which says: First District Court in Administrative Matters. Mexico, D. F. September 10, 1948, at 1:00 P. M., with seven copies.

Judgment:

In the City of Mexico, D. F., at 10:00 A. M., on December 23, 1949, the constitutional hearing in this injunction suit was held without the parties being present. The record of the proceedings were read, the clerk read the three pleadings of the third injured party, Mr. Sidney Steele. The Judge, according to law, decreed: It appearing from official communication No. 01109 of the Secretariat of Na-

tional Economy that due to the fault of the complainant the certified copies which he asked for have not been issued, it is held that he has waived such proofs to his prejudice. Lic. Vicente Mac-Gregor is authorized to receive notices. Let the certified copy which is applied for be issued. Thereupon, the Judge rendered the following decision:

The proceedings having been had; and

Whereas, the proceedings having been as follows:

. . . . . .

First.—By petition dated September 10, 1948, admitted by order dated September 28, 1948, Mr. Jorge Kessel Jasven appeared before this Court, seeking an injunction and the protection of federal justice against acts of the Secretary of National Economy and the Director General of Industrial Property, an agency of the said Secretariat, consisting of: "The revocation of the orders and authorizations granted to the undersigned by the said Secretariat, [fol. 529] which revocation was transmitted in official communication No. 37-II-16513." He cites in his petition as guarantees violated those which are set forth in constitutional articles 14 and 16.

Second.—The said acts complained of are true, as appears in the substantiated report of the authorities deemed responsible; but it appears therefrom that the revocation of the authorization granted to the complainant to deal freely in "Bulova" watches was based upon the fact that such authorization was granted without the order of the titular head of the Secretariat of National Economy and also in compliance with the judgment rendered by the Supreme Court of Justice of the Nation in the Injunction Suit brought by the "Bulova Watch Co., Inc., of New York" against the ruling of said Secretariat of National Economy which declared that the nullity of the national trade-mark 33602 called "Bulova" made in favor of Sidney Steele, did not lie; by reason of said judgment, the injunction sought by the said "Bulova Watch Co., Inc., of New York", was denied, so that, by means of said revocation by the said Secretariat of State, the exclusive use of said trade-mark is given to Sidney Steele. Consequently, treating it as it is treated in the case of a final judgment of the

Supreme Court of Justice of the Nation, it is in order to dismiss the present suit by reason of the fact that it does not lie in accordance with paragraph II of Article 73 of the Law of Injunctions.

By reason of the above and based upon Article 74, paragraph III of the said Law, it is resolved:

First.—The present suit must be dismissed, and it is hereby dismissed as it does not lie for the reason stated. [fol. 530] Second.—Let notice be given.

The hearing thereupon ended with the drawing up of the present record which the First District Judge in Administrative Matters of the Federal District signs according to Law. I certify.—(Signed).—Luis M. Aguilar.—Jose Floros.—Scrolls."

* * * * * * *

APPELLEES' EXHIBIT T-17

Substantiated Report of the Secretariat of National Economy in above amparo suit brought by Jorge Kessel Jasven against the Acts of the Secretary of National Economy addressed to the First District Judge in Administrative Matters.

* * * * * * *

Citizen Attorney Emilio Canseco Noriega, Clerk of the First District Court of the Federal District in administrative matters, Certifies:

That in injunction suit number 2313/48, brought by Jorge Kessel Jasven against the acts of the Secretary of National Economy and other authorities, there is a document which to the letter says:—On the margin a seal which says: Federal Executive Power.—Mexico, D. F.—United Mexican States.—Secretariat of Economy.—On the right margin; Agency: General Legal Department.—

Section.—Table.—Number of the official communication 00331.—

File: 38/301.2 (05) "48-49"/716.

[fol. 531] Subject: Substantiated report is rendered in

suit for injunction 2313/48, brought by Jorge Kessel Jasven against acts of this Secretariat.

Mexico, D. F. January 22, 1949.

First District Judge of the Federal District in Administrative Matters.

City.

In accordance with the provisions of article 149 of the Law of Injunctions (Ley de Amparo), I present to you report 53811 of September 29 of last year, in the proceedings of injunction suit 2313/48, brought by Jorge Kessel Jasven against acts of this Secretariat, which are said to be in violation of the guarantees provided for by articles 14 and 16 of the Federal Constitution.

Antecedents

Mr. Sidney Steele is the owner of trade-mark number 33602 "Bulova", the validity of which was confirmed by the Hon. Supreme Court of Justice in judgment rendered on July 14, 1948, as a result of injunction suit 2015/46, brought before this Court, by Mr. Jorge Kessel in representation of the Bulova Watch Co., Inc.

In the case cited which the plaintiff brought in the capacity indicated against the resolution of this Secretariat which declared that the application for nullity of trade-mark 33602 "Bulova" did not lie, the Supreme Court of Justice confirmed the resolution of this Secretariat declaring that the application for nullity which was presented against the same did not lie.

[fol. 532] The validity of trade-mark 33602 being in litigation and while no decision had been rendered thereon Mr. George Kessel, by petition of August 29, 1946, appeared before the secretariat and stated in absolutely general terms, without specifying at all the trade-mark in question, that if irregularities existed in a trade-mark, he could as a consequence deal in imported products of the same trade-mark.

By document of the same date he stated that in his opinion a series of violations were being committed in the use of the trade-mark "Bulova" number 33602 by its owner, Sidney Steele.

By official communication 23842 dated September 10, 1946, the General Office of Industrial Property informed

Mr. Jorge Kessel that if the circumstances described in Articles 141 and 145 of the Law of Industrial Property prevailed the owner would not have the right to exercise civil and penal actions granted by said Law.

By petition of December 15, 1946, Mr. Kessel requested the Office of Industrial Property to declare that if the owner of the trade-mark 33602 had lost civil and penal actions, which are derived from the title of ownership of the trade-mark, he, as a consequence, could freely deal in watches covered by said trade-mark without incurring any liabilities.

In official communication 29967 of December 30 of the same year, the Ass't. Director of Industrial Property replied to Mr. Kessel, stating that if the proprietor of a registered trade-mark violated articles 141, 145 and 200 of the Law of Industrial Property, and if Mr. Sidney Steele was in such position, Mr. Kessel could deal commercially [fol. 533] in watches having the trade-mark "Bulova" without incurring any liabilities.

The third injured party filed a suit for injunction before this Court against such resolution.

Later, under date of August 27, 1948, and by official communication 16513, this Secretariat annulled official communication 23823 and 29967, in which the consultations of Mr. Kessel referred to were resolved, basing its decision on the fact that they were issued by incompetent authority specially the one giving him authority to sell, because in judgment dictated in case 2015/46 brought by Mr. Kessel in representation of the "Bulova" Watch it was declared that national trade-mark 33602 is firm and the property of Mr. Sidney Steele.

The complainant interposed the injunction suit in which I am proceeding

Justification of Acts Complained of

It is incorrect to say that violation of Article 14 of the Federal Constitution exists to the prejudice of the complainant in view of the fact that he has not been deprived of his liberty, property, possessions or rights without previous notice.

In effect, in order that a violation of the indicated constitutional precept may exist, it is necessary and essential that there be a possession, liberty, property or right violated. In this case, no rights of Mr. George Kessel have been violated, as in the consultations contained in official communications 23842 and 29967; there appear no existence of a right in favor of Mr. Kessel, as therein only an opinion is expressed that if the owner of a trade-mark violates the [fol. 534] dispositions of articles 141, 145 and 200 of the Law of Industrial Property, and Section F of the Regulations of the Law of Trade-marks of 1928, the trade-mark of which he is owner may be used without incurring any liabilities. . . . . .

This situation is applicable if and when it can be proved that violations of the indicated articles exist, which situation was never proved by Mr. Kessel in the present case. Therefore, there does not exist the right to the use to which he aspires. . . . . .

On the other hand, the validity of the trade-mark "Bulova" as in litigation before competent Courts on the date when the complainant presented his consultations already mentioned. The simple opinion, based upon precepts of the Law which shall be applied only when a hypothesis involving same is realized, could not create a legal situation giving rights to Mr. Kessel. Moreover, the Supreme Court, in a final judgment dated July 14, 1948, confirmed the validity of the trade-mark "Bulova" in favor of its rightful owner, Mr. Sidney Steele. Therefore, it is deduced that Mr. Steele, being the rightful owner of the trade-mark, and this being in full force, may exercise all of the actions in defense of his property that may be pertinent, and this secretariat in compliance with the Law of Industrial Property must protect the use of the trade-mark "Bulova" in behalf of its legitimate owner. . . . . .

Besides, the opinion contained in official communication 20067, from which Mr. Kessel is attempting to derive rights, is non-existent if it is considered as a resolution of this Secretariat authorizing the complainant freely to deal in watches with the trade-mark "Bulova". It is inexistent, in the first place, because there exists no legal precept which empowers this Secretariat to authorize a dealer [fol. 535] freely to deal in watches of a trade-mark which

is registered in the name of another person. This could only occur if the owner of a trade-mark should violate the cases which are set forth in certain dispositions of the Law of Industrial Property, this Secretariat can not declare its use illegal by a third party.

In the second place, the opinion referred to is inexistent insofar as a resolution is concerned, because it was not rendered by a competent officer. An authorization of such nature would be the object of a superior ruling of this Secretariat, and not a resolution of the Asst. Director of Industrial Property, an incompetent official in resolution of this kind.

From all of the above, it is evident that there exists no violation of the Sixth Title of the Law of International Property, nor of Articles 229, 232 and 23 of the same law to the prejudice of the complainant, in view of the fact that there is no resolution in favor of the complainant, the revocation of which would necessitate proceedings, as indicated by the precepts shown, in order to be revoked. Moreover, the Law of Industrial Property establishes no proceeding which must be followed to revoke a simple opinion which does not create rights in favor of third parties.

The violations of Article 16 of the Federal Constitution which Mr. Kessel states have been committed to his prejudice are inaccurate, since they are based on a supposition which only exists in the mind of the complainant, and that is to attribute an opinion of this Secretariat for the case in which the hypothesis is presented that the Law of Industrial Property foresees with reference to the use of a trade-mark, the character of the resolution which author- [fol. 536] izes the same Mr. Kessel to sell products covered by a registered trade-mark.

There exists no precept whatsoever in the Law of Industrial Property which empowers this Secretariat to give authorization to a dealer to sell products covered by a registered trade-mark.

Consequently, this Secretariat did not violate article 16 of the Constitution to the prejudice of the complainant, upon establishing in official communication 16513 of August 27 of last year, that the opinion contained in official communications 23824 and 29967, *insofar as authorization and*

resolution of this Secretariat is concerned, that Mr. Kessel might deal in "Bulova" watches, has never existed.

The interpretation of the official communications cited as authorization to sell "Bulova" watches, was made by the complainant only, as in those communications mention is only made of a case established by the Law of Industrial Property, the requisites of which upon being fulfilled, deprive the owner of a trade-mark of civil and penal actions derived from same; but in this case, Mr. Kessel did not prove himself to be in the situation referred to.

In its final judgment of June 14, 1948, the Supreme Court of Justice declared the validity of the trade-mark "Bulova"; therefore, this Secretariat, in compliance with the said judgment must protect the rightful owner of the said trade-mark, in view of the fact that the law of Industrial Property is a public order, by reason of which Mr. Sidney Steele, being the rightful owner of trade-mark 33602, is [fol. 537] the only person authorized to stamp his trade-mark upon his products.

Proofs.—Certified copies of the following are offered in evidence:

a).—Petitions of the complainant of August 29.
b).—Official Communication 23842.
c).—Petition of the complainant of December 15, 1946.
d).—Official Communication 29967.
e).—Official Communication 16513.
f).—Judgment of the Supreme Court dated July 14, 1948, rendered in injunction suit 2015/46.

By reason of the above, I respectfully ask that Your Honor be pleased:

I. To hold as presented and signed in time the requested substantiated report.

II. To hold as proofs of this Secretariat the attached certified copies.

III. In due time to resolve that the Justice of the Union does not shelter nor protect the complainant against the complained acts.

I reinstate to you the assurance of my attentive consideration.

[fol. 538] Effective Suffrage. No Re-Election.—By Order of the Secretary.

The Chief Clerk.—Lic. Marco Antonio Munoz T. Scholl.

. . . . . .

. . . . . .

APPELLEES' EXHIBIT T-18

Power of Attorney from Bulova Watch Co., Inc., of New York to George Kessel protocolized before Notary Public, Noe Graham Gurria in Mexico City on March 26, 1945.

. . . . . .

Noe Graham Gurria, Notary number ten of the City of Mexico certifies: that in Volume 592 of the protocol in his charge on pages 14 to 15, inclusive, there appears document number 21582 which to the letter says:

Mexico, March 26, 1945.

I, Noe Graham Gurria, Notary number 10 of the City of Mexico, protocolize and add to the appendix of this document with the letter "A" in five useful sheets, by Order of the Sixth Civil Judge, the judicial proceedings had in said Court to obtain the protocolization of the power of attorney that the "Bulova Watch Company, Inc.," executed in favor of Mr. George Kessel in the city of New York, state of the same name, United States of North America on January 18, 1945, before the notary, Helen Hass. I sign this record on the day of its date.—I certify.—Noe Graham Gurria.—Scroll.—The official seal.

. . . . . .

[fol. 539] Translation.

State of New York.—County of New York.—SS:

John H. Ballard, having been duly sworn deposed and said:

1. That he is the President of Bulova Watch Company, Inc., a corporation organized in the year 1911, under the laws of the State of New York, having its principal office and place of business at 630 Fifth Avenue in the Borough of Manhattan, City and State of New York.

2. That said Company manufactures and sells watches under the commercial trade-mark "Bulova" and that such watches have been used since the year 1886, when the business was originally established in the Borough of Manhattan, in the City and State of New York, by Jose Bulova, who organized the company above mentioned in the year 1911 and said corporation has continued using said trade-mark "Bulova" on watches since the date of its incorporation in 1911.

3. That watches with the trade-mark "Bulova" are sold by the Bulova Watch Company, Inc., not only within the territory of the United States but they are also exported to all other countries of the world.

4. That the Bulova Watch Company, Inc., for the purpose of better attending to its Mexican customers, has decided to establish a branch office in Mexico City, Federal District, United Mexican States, under its own name or ownership of the Bulova Watch Company, Inc.

[fol. 540] 5—That the Board of Directors of Bulova Watch Company, Inc., has named Mr. George Kessel as its general agent and attorney in fact in Mexico with ample powers, including the registration in Mexico of trade-marks, patents and the commercial name Bulova Watch Company, Inc.—(Signed).—John H. Ballard.—The certifications and legalizations follow.

Sixth Civil Judge.

Urrutia Gaillermo.—Application for protocolization of power of attorney.

I, Jose Guillermo Urrutia, in my own right, with address to receive notices at office No. 307 of Building No. 33 on Isabela la Catolica Street of this city, before you respectfully show:—That in the city of New York, Mr. John H. Ballar (sic) as President of the Bulova Watch Company, Inc., executed a power of attorney in favor of Mr. George Kessel, according to the terms of the attached document duly translated.

This document is duly legalized as the said power of attorney was executed before a Notary Public.—I need to protocolize the power of attorney in order that it may have effect in the Mexican Republic; therefore, under voluntary jurisdiction, I appear to apply to you for it.

Wherefore I ask Citizen Judge.

I. That you name an expert translator to compare the translation of the document which is attached.

II. That the power of attorney with its translation attached be protocolized in Notary Office No. 10 of this city, in charge of Atty. Noe Graham Gurria.

[fol. 541] I protest the necessary.—Mexico, D. F., March 20, 1945. Jose C. Urrutia.—Scroll.—The seal of the clerk of the Sixth Civil Court, with date of March 20, 1945.

xico (sic) March 22, 1945.—Mr. Jose Gullermo Urrutia, having appeared with the power and translation which is attached, executed in his favor by Mr. John H. Ballar (sic), as President of the Bulova Watch Company, Inc., Mr. Baltazar Mata Killman is appointed expert examiner of the translation exhibited and, in such case, translator of the part that has not been translated, and he will be advised thereof for the purpose of acceptance, oath and discharge of duty. Ordered and signed by the Sixth Civil Judge.—I certify.—Rafael Santos Alonso.—Scroll.—An illegible signature.

March 23, 1945, at 9:35 A. M., Mr. Baltazar Mata Killman appeared before the Sixth Civil Judge, Rafael Santos Alonso, and being informed of the preceding order, stated that he accepts the appointment of expert examiner and translator, which is conferred upon him, swearing to comply with it faithfully. He at once proceeded to undertake such duty, stating that the examination shows that the translation made is correct, as it corresponds to the power executed in the English language.—

* * * * * * *

The examination and translation ordered yesterday having been made, let these proceedings be protocolized in the protocol in charge of Notary Public No. 10, Atty. Noe Graham Gurria who will issue to the interested party the certified copy or copies which he solicits and which by law it is necessary to issue.—This the Sixth Civil Alonso. Scroll.—An illegible signature.

[fol. 542] The above order was published in No. 69 of the Judicial Bulletin of March 24, 1945.

* * * * * * *

In order to comply with the provisions of article 2554 of the Civil Code in force in the Federal District, it is inserted as follows:

"Art. 2554.—In all general powers for suits and collections, it will suffice to say that it is executed with all of the general powers and those special powers which may require a special clause in conformity with the law, in order that they may be understood as being conferred without any limitation whatsoever.

In general powers to administer properties, it will suffice to say that they are given with that character, in order that the agent and attorney in fact may have every kind of administration powers.

In general powers, in order to exercise acts of ownership, it will suffice that they be given with that character in order that the agent and attorney in fact may have all the powers of an owner, as much so with reference to the properties, as well as to make every kind of operation to the end of defending them.

When it is desired to limit the powers of agents and attorneys in fact in the three cases above mentioned, the limitations shall be stated or the powers will be special powers of attorney.

Notaries shall insert this article in the certified copies of the powers which they execute."

[fol. 543] And at the Application of the Agent and Attorney In Fact Mr. George Kessel, I Issue the Present Certified Copy in Eight Pages with the Stamps Required by Law Duly Canceled. The Copy was Made by Press. Mexico, December 6, 1945, Corrected. I Certify.

Noe Graham Gurria.

* * * * * * *

Opposite the above signature appears a seal which says "Atty. Noe Graham Gurria—Notary office No. 10—Mexico City—United Mexican States."

* * * * * * * * *

APPELLEES' EXHIBIT T-19

Notice of suit filed by Sidney Steele, dated September 11, 1948, from the Director General of Industrial Property to

Bulova Watch Co., Inc., of New York, seeking an administrative declaration of illegal use of his trade-mark 33602 "Bulova".

On the margin a printed seal which says: Federal Executive Power, Mexico, D. F., Secretariat of National Economy. In the upper right hand corner a box in which the following appears:

Agency: General Office of Industrial Property.
Office of Trade-marks

Section: Complaint.
Table: First.

[fol. 544] Number of "Officio" 37-III. 17423.

File: Trade-Mark 33602.

Subject: Notice of suit for illegal use is given.

Mexico, D. F., September 11, 1948.

Bulova Watch Co., Inc., of New York, Rep. by G. Kessel, Ave. Madero No. 1407, City.

Mr. Vicente Mac-Gregor, Attorney, as representative of Mr. Sidney Steele, has appeared before this Department to request that an administrative declaration of illegal use of his trade-mark 33602 "Bulova" be made on account of acts attributed to you, shown in the petition copy of which is enclosed.

Enclosure. Based upon articles 189, 195, 229, 230 and 255 of the Law of Industrial Property in force, you are conceded a period of 30 days from the date you receive this communication, in order that you may appear before this Office to answer the suit filed against you and offer the proofs which you consider pertinent for the defense of your interests, with the understanding that after said period has terminated, the resolution which corresponds will be rendered on the proofs which appear in the file.

Respectfully. Effective Suffrage. No Reelection the Director General, Lic. Juan Catano Flores.

cc: Lic. Vicente Mac-Gregor.,—Av. Cinco de Mayo 43 Despacho 107.—City.

cc: The Gazette of Industrial Property for its publication one time.

[fol. 545] Translator's Note: Attached is a copy of the same letter addressed to Mr. G. Kessel, Av. Madero 1407, City. Attached also are envelopes of the Secretariat of Economy, with notation therein that said letters were mailed Sept. 14, 1948.

APPELLEES' EXHIBIT T-20

Notice dated October 8, 1948, of the same suit for administrative declaration, addressed to Bulova Watch Co. of Mexico.

On the margin a printed seal which says: Federal Executive Power, Mexico, D. F. Secretariat of National Economy. In the upper right hand corner a box in which the following appears:

Agency: General Office of Industrial Property.
Section: Complaint
Table: First
Number of "Oficio" 37-III. 19065
File: Trade-Mark 33602
Subject: Notice of suit for illegal use is given.

Mexico, D. F. October 8, 1948.

Bulova Watch Co., of Mexico D. F.,
Ave. Madero No. 1407,
City.

Mr. Vicente Mac-Gregor, Attorney, as representative of Mr. Sidney Steele, has appeared before this Department [fol. 546] to request that an administrative declaration of illegal use of his trade-mark 33602 "Bulova" be made on account of acts attributed to you, shown in the petition copy of which is enclosed.

Enclosure. Based upon articles 189, 195, 229, 230 and 255 of the Law of Industrial Property in force, you are conceded a period of 30 days from the date you received this communication, in order that you may appear before this Office to answer the suit filed against you and offer the proofs which you consider pertinent for the defende of your

interests, with the understanding that after said period has terminated the resolution which corresponds will be rendered on the proofs which appear in the file:

Respectfully, Effective Suffrage. No Reelection The Director General, Lic. Juan Catano Flores.

cc: Lic. Vicente Mac-Gregor., Av. Cinco de Mayo 43 Despacho 107.—City

cc: The Gazette of Industrial Property for its publication one time.

APPELLEES' EXHIBIT T-21

Notice of suit dated October 20, 1948, from Director General of Industrial Property, addressed to Vicente Mac-Gregor, attorney for Sidney Steele, granting time to file reply to answer of Bulova Watch Co. Inc. of New York to administrative suit.

On the margin a printed seal which says: Federal Executive Power, Mexico, D. F., Secretariat of National Economy [fol. 547] In the upper right hand corner a box in which the following appears:

Agency: General Office of Industrial Property.

Section: Complaint
Table: First
Number of "Oficio" 37-III. 19876
File: Trade-Mark 33602

Subject: A Period of time is conceded to you in order that you may expose whatever is agreeable to your legal rights.

Mexico, D. F., October 20, 1948.

Attorney Vicente Mac-Gregor,
Ave. Cinco de Mayo 43-107,
City.

Mr. Jorge Kessel, in his capacity as agent and attorney in fact for the Bulova Watch Co. Inc., of New York, has answered the suit for illegal use filed by you in inclosure the name of Mr. Sidney Steel, in the terms of the answer copy of which is enclosed.

In order that you may manifest that which is agreeable to your legal rights, you are conceded a period which shall terminate precisely on November 10th next, with the understanding that such period having terminated and no answer [fol. 548] is filed by you the resolution which corresponds will be made.

Respectfully, Effective Suffrage. No Reelection The Director General, Lic. Juan C[illegible]no Flores.

AGB/jv
Reg. 19285

cc: Bulova Watch Co. Inc. of New York, Represented by Mr. G. Kessel.—Av. Madero 67. Holding as offered the proofs shown.

APPELLEES' EXHIBIT T-22

Official Communication of Director General showing Mexico did not ratify the Inter-American Convention executed in Washington on February 20, 1929.

On the left margin a seal which says: Executive Federal Power—United Mexican States—Mexico, D. F., Secretariat of Foreign Relations.

Agency—General Office of the Diplomatic Service Chancery Dept.

File: III/342.3 (3 (73)2.

Subject: Inter-American Convention for the Registration of trade-marks of manufacture.

Mexico, D. F., March 6, 1950.

Mr. Sidney Steele,
Avenida 5 de Mayo 43, Office 101,
Mexico, D. F.

In reply to your letter of February 18th, last, I beg to say that although our country signed the Inter-American Convention for the protection of Commercial trade-marks [fol. 549] and the protocol on the International Registration of Trade-marks executed in Washington on February 20, 1929, such international acts were not approved by the Senate and consequently are not in force in Mexico.

I renew the assurances of my distinguished consideration.

Effective Suffrage—No Reelection By Order Of The Sub-Secretary In Charge Of The Office. Vicente Sanches Gavoti, The Director General.

APPELLEES' EXHIBIT T-23

Art. 39, Sec. II, Mexican Law of Trade-Marks of 1928.

* * * * * * *

Article 39. The registration of a trade-mark is void:

* * *

II. When the trade-mark has been used in the Republic before the date of its registration, provided the person claiming the right to use the trade-mark files an application for registration with the Department of Industrial Property within three years after the original registration, and proves to the Department, that he has used the trade-mark during all this time, and that he commenced using it before the party who originally registered it.

APPELLEES' EXHIBIT T-24

Art. 200, Sec. II, Law of Industrial Property of Mexico of 1942.

* * * * * * *

[fol. 550] Art. 200.—The registration of a trade-mark is void:

* * *

II.—If the trade-mark has been used in the Republic (of Mexico) prior to the date of its registration, provided the party who asserts the right of use files an application for registration with the Secretariat of National Economy within three years following the date the first registration was published in the "Gazette of Industrial Property," and proves his continuous use of the trade-mark and the fact that he commenced to use it prior to the original registrant.

APPELLEES' EXHIBIT T-25

Art. 31, Code of Civil Procedure for the Federal District of Mexico.

* * * * * * * *

Art. 31.—Whenever there are several actions against one and the same person in regard to one and the same thing and arising from one and the same causes, they must be raised in a single complaint; by the exercise of one or more the others are extinguished.

Contrary or contradictory actions may not be filed in the same complaint; nor may possessary actions be filed in declaratory actions not even when one may depend upon the outcome of the other. Nor may actions be filed in the same complaint which by reason of the amount in controversy or nature belong in different jurisdictions. The practice of filing contrary or contradictory actions alternatively is hereby abolished.

[fol. 551] APPELLEES' EXHIBIT T-26

Art. 71, Federal Code of Civil Procedure for the Federal District of Mexico.

* * * * * * * *

Art. 71.—After a complaint for the total or partial decision of a suit has been admitted by a Court, and until such time as the suit has not been decided by irrevocable judgment, another proceeding for decision of the same suit cannot take place either before the same Court or another, save when there is presented within the suit initiated a new complaint amending the first complaint with regard to questions which were omitted therein—Whenever, notwithstanding this prohibition, another complaint has been admitted, it shall be added (to the original complaint) and in such event it does not produce any effect other than that of the total nullification of the complaint which has been added (to the original complaint), without prejudice whatsoever of the outcome of the suit begun at a prior date.

The amendment to which the foregoing paragraph refers may only be presented once up to the moment of the

final hearing in first instance, and there shall be observed the corresponding provisions as if it were a new suit.

APPELLEES' EXHIBIT T-27

Decree of Mexican Government denouncing Arrangement of Madrid.

In the center a seal which says: Federal Executive Power, Mexico, D. F.

[fol. 552] Official Gazette

Organ of the Constitutional Government of the United Mexican States Director: Atty. Carlos Franco Sodi

First Session

Mexico, March 9, 1943 Volume CXXXVII No. 32

Summary.

First Section,

Executive Department,

Secretariat of Foreign Relations.

Decree by which it is ordered that beginning the 10th of March, 1943, the arrangement of Madrid of April 14, 1891, with reference to the international registration of trade marks of manufacture and of commerce shall cease to be in force.

. . . . . .

Executive Power

Secretariat of Foreign Relations

Decree by which it is ordered that beginning the 10th day of March, 1943, the arrangement of Madrid of April 14, 1891, with reference to the international registration of trade marks of manufacture and of commerce shall cease to be in force.

On the margin a seal with the National Shield which says: United Mexican States. Office of the President of the [fol. 553] Republic. Manuel Avila Camacho, Constitutional President of the United Mexican States, to its inhabitants 1st it be known:

That in use of the faculties which fraction X of article 89 of the Political Constitution of the Mexican Republic concedes to me; and, whereas:

I. That by decree of March 14, 1930, published on April 30th of the same year, the Convention of Union of Paris of March 20, 1883, was promulgated for the protection of Industrial Property,—revised in Brussels on December 14, 1900; in Washington on June 2, 1911 and at The Hague on November 6, 1925—and the Arrangement of Madrid of April 14, 1891, with reference to the International Registration of Trade-Marks of Manufacture and of Commerce—revised in Brussels on December 14, 1900; in Washington on June 2, 1911 and at The Hague on November 6, 1925;

II. That in the national interests it appears convenient to denounce the Arrangement of Madrid mentioned, and with such purpose, in accordance with the respective dispositions, the Government of the Swiss Confederation was notified of the decision of Mexico, by means of Note of the Secretariat of Foreign Relations dated March 10, 1942;

III.—That the Government alluded to replied to the Mexican Note and, in accordance with article 17 bis of the Convention of Union of Paris, applicable to the case, it accepted the denouncement and fixed as a date to compute the year after which the denouncement mentioned in the Note would go into effect, wherefore said period terminates on March 9th of the present year; and

[fol. 554] IV.—That, according to article 6 of the Arrangement of Madrid, the protection of trade-marks of manufacture and of commerce registered in the International Office of Berne must endure for 20 years from the date of their registration.

By reason of the above, I have considered it just to issue the following:

Decree.

Article 1st—Beginning March 10, 1943, the Arrangement of Madrid of April 14, 1891, revised in Brussels on December 14, 1900, in Washington on June 2, 1911, and at the Hague on November 6, 1925, with reference to the International registration of trade-marks of manufacture and of commerce, shall cease to be in force in all the national territory.

Article 2nd—Trade-marks of manufacture and of commerce which may have been registered in the Interna-

tional Office of Berne up to March 9, 1943, shall enjoy for 20 years beginning on the date of their registration the protection that the Arrangement which ceases to be in force, establishes.

In compliance with the dispositions of fraction I of Article 89 of the Political Constitution of the United Mexican States, and for its due publication and observance, I promulgate the present decree at the office of the Federal Executive Power on the 9th of March, 1943.—Manuel Avila Comacho—Scroll.—The Secretary of State and of the Office of Foreign Relations, Ezequiel Padilla.—Scroll. The Secretary of State and of the Office of National Economy, Francisco Javier Gaxiola.—Scroll. To Atty. Miguel Aleman, Secretary of the Interior.—Present.

[fol. 555] (Clerk's Note: The foregoing Exhibits were filed on April 20, 1950.)

IN UNITED STATES DISTRICT COURT

DEFENDANTS' DESIGNATION OF ADDITIONAL PORTIONS OF RECORD ON APPEAL—Filed August 26, 1950

Plaintiff's request for designation of contents of record on appeal having been served on attorneys for defendants on August 25, 1950, defendants in the above styled and numbered cause, by and through their said attorneys, and file this their designation of additional matters to be included in the record as follows:

1. All of defendants' exhibits, being Exhibits Nos. 1 to 27, inclusive, referred to in the Court Reporter's Transcript of Evidence on file herein, including all the English translations of certain of said Exhibits numbered 1-T to 22-T, inclusive, and English translations also marked D-23, D-24, D-25, D-26 and D27-T.

2. This designation.

Dated this the 26th day of August, 1950.

(S.) Davis & Schenker,
(S.) Herbert Davis,

904 Alamo National Building,
San Antonio 5, Texas.

(S.) Grady Barrett,
(S.) W. L. Matthews,
Attorneys for Defendants.

1501 Alamo National Building,
San Antonio 5, Texas.

Of Counsel

Brewer, Matthews, Nowlin & MacFarlane,

[fols. 556-557] Copy of this request has this the 26th day of August, 1950, been mailed to Maury Maverick 1000 Transit Tower, San Antonio, Texas, attorney for plaintiff.

REQUEST AND ORDER THAT ORIGINAL EXHIBITS BE FILED WITH THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT (omitted in printing)

[fol. 558] Clerk's certificate to foregoing transcript omitted in printing.

[fol. 559] That thereafter the following proceedings were had in said cause in the United States Court of Appeals for the Fifth Circuit, viz:

ARGUMENT AND SUBMISSION

Extract from the Minutes of November 19th, 1951

No. 13396

BULOVA WATCH COMPANY, INC.

versus

SIDNEY STEELE, et al.

On this day this cause was called, and, after argument by Maury Maverick, Esq., for appellant, and Grady Barrett, Esq., for appellees, was submitted to the Court.

[fol. 560] OPINION OF THE COURT AND DISSENTING OPINION OF RUSSELL, CIRCUIT JUDGE—Filed February 21, 1952

IN THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

No. 13396

BULOVA WATCH COMPANY, INC., Appellant,

versus

SIDNEY STEELE, et al., Appellees

Appeal from the United States District Court for the Western District of Texas

(February 21, 1952)

Before Holmes, Russell, and Rives, Circuit Judges.

RIVES, Circuit Judge:

Bulova Watch Company, a New York corporation, sued Sidney Steele, a citizen of the United States actually

domiciled and residing in San Antonio, Texas,[1] seeking to [fol. 561] enjoin Steele from using the name "Bulova" on watches *in Mexico* and to recover damages resulting from such use.

Steele conducts a watch business in Mexico as a part of which he assembles watches, stamps them with the name Bulova and sells them as Bulova watches. The works and some of the watch cases and dials he purchases from companies in Switzerland, and some of the cases and dials he procures from companies in the United States.

The district court heard such evidence as was introduced relating to its territorial jurisdiction or jurisdiction of the subject matter, and then made findings of fact and conclusions of law fairly summarized in its judgment as quoted in the margin [2] and dismissed the case *with* prejudice.

In his answer, Steele pleaded lack of jurisdiction and several other defenses, including *res adjudicata*, laches and justification. The taking of testimony on the other issues thus presented was not completed because the district court held that it had no jurisdiction.

Bulova Watch Co., Inc., its predecessors and the Bulova family have been using the family surname "Bulova" to identify their watches since 1875. Since 1927, the name "Bulova", as applied to watches, has been registered under [fol. 562] the various Trade Mark statutes of the United

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[1] Steele's wife, Sofia, was joined as a defendant on account of the community property law of Texas and there was also joined a Mexican corporation, S. Steele y Cia., S. A., to whose rights Steele had succeeded.

[2] "* * * that all of the alleged acts of unfair competition by the use of the 'Bulova' name complained of by Plaintiff, Bulova Watch Company, Inc., were done and performed by the Defendant, Sidney Steele, in connection with his business of assembling, marking and selling watches solely in the Republic of Mexico and, therefore, the subject matter of this suit and the acts of the said Defendant are beyond the jurisdiction and control of the government and the law, both State and Federal, of the United States of America and of this Court:"

States. It has been registered under the Lanham Act of 1946.[3]

The Bulova Watch Co. has built up a watch business to the point that it is now, according to the testimony, the world's largest manufacturer of watches and its yearly sales exceed fifty million dollars. It spends vast sums of money each year in the United States and abroad to advertise its products and to make its name and reputation known to the public. Much of this advertising, through printed publications and radio broadcast, is distributed through Mexico, and a considerable amount is in the Spanish language.

Steele started in the jewelry and watch business in Texas in 1922. He learned of the name "Bulova" as applied to watches while employed in the watch business in 1926. Neither he nor any member of his family was ever named Bulova. In 1933, upon a search of the records, he found that the name "Bulova" was not registered in Mexico; and on December 5, 1933, there was granted to S. Steele, Y Cia., S. A., the predecessor in title of Sidney Steele, Mexican National Trade Mark No. 33602, purporting to grant the right to use the name "Bulova" in the Republic of Mexico as a trade name for watches. That trade-mark has been the subject of litigation between the Bulova Watch Company and the Department of National Economy and the Director of Industrial Property of the Republic of Mexico in cases before the Mexican Courts in which Sidney Steele [fol. 563] was a party, and the Bulova Watch Company has not up to this time been successful in such litigation. At the present time there is a suit or proceeding pending in Mexico with reference to the right as between Bulova Watch Company and Sidney Steele to use the Bulova name on watches assembled and sold by Steele in Mexico.

If the district court has jurisdiction it is conferred because of diversity of citizenship[4] or because the case in-

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[3] Act of July 5, 1946, 60 Stat. 427, incorporated in 15 U. S. C. A. Secs. 1051-1127.

[4] "The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds

volves the Trade Mark laws of the United States.[5] There is no dispute about the requisite diversity of citizenship and amount in controversy. Personal service of process in this case was had upon the Steeles in San Antonio, Texas. Bulova Watch Company claims that the action arises under the Trade Mark laws of the United States. This claim the Steeles deny and they deny also that Steele's conduct in Mexico was contrary to the laws of Texas. They claim that those laws, National and State, have no extraterritorial effect.

The issue to be decided is whether the cause of action, as disclosed by the pleadings and the evidence, is within the [fol. 564] territorial reach of the court and of the laws of the United States. Unquestionably, the Steeles themselves are within the jurisdiction of the court and subject to its process. Courts have often exercised the power of restraining persons within their jurisdiction from prosecuting suits in other states or foreign countries, or from taking such

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the sum or value of $3,000 exclusive of interest and costs, and is between: (1) Citizens of different States: * * *" 28 U. S. C. A. Sec. 1332.

[5] "The district and territorial courts of the United States shall have original jurisdiction, the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties. July 5, 1946, c. 541, Title VI, Sec. 39, 60 Stat. 440." (The chapter relates to Trade Marks.) 15 U. S. C. A. Sec. 1121.

"The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trade-marks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

"The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws. June 25, 1948, c. 646, 62 Stat. 931."

action there as would be contrary to the law of the forum.[6] The more serious question is whether the conduct charged to Steele was lawful where done or whether it may be considered as in violation of the Trade Mark Laws or laws relating to unfair competition of the State of Texas or of the United States.

It will be helpful first clearly to understand the general nature of those laws and of the rights thereby protected. A trade mark symbolizes business good will.[7]

> "There is no property in a trademark apart from the business or trade in connection with which it is employed. United Drug Co. v. Rectanus Co., 248 U. S. 90, 97; Hanover Milling Co. v. Metcalf, 240 U. S. 403, 413-414. 'The law of trade-marks is but a part of the broader law of unfair competition' (idem), the general purpose of which is to prevent one person from passing off his goods or his business as the goods or business of another." *American Steel Foundries vs. Robertson, Commissioner*, 269 U. S. 372, 380.
>
> "The interest in a trade-mark or trade name is protected, * * * with reference only to territory from which he receives or, with the probable expansion of his business, may reasonably expect to receive custom in the business in which he uses his trade-mark or trade [fol. 565] name, and in territory in which a similar designation is used for the purpose of forestalling the expansion of his business." Am. Law Inst. Restatement of Torts, Vol. 3, Sec. 732.[8]

In the comment to that section of the Restatement of Torts, it is said:

> "In each case the issue is whether, in the territory in which the similar designation is used, there are or

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[6] Moton et al. vs. Hull, 77 Tex. 80, 13 S. W. 849; Penn vs. Lord Baltimore, 1 Ves. Sen. 444; Cole vs. Cunningham, 133 U. S. 107.

[7] Beech Nut Co. vs. Lorillard Co., 273 U. S. 629, 632; 52 Am. Jur. Trademarks, etc. Sec. 2, p. 508.

[8] See also Annotation 148 A. L. R. 12, 92 et seq., 52 Am. Jur. Trademarks, etc. Secs. 110, 111, 112.

> are likely to be a considerable number of prospective purchasers of the goods or services in connection with which the trade-mark or trade name is used, who are likely to be misled by the similarity. On this issue, the good or bad faith of the alleged infringer is an important factor. If he imitates the other's trade-mark or trade name knowingly and acts in other ways to convey the impression that his business is associated with the other, the inference may reasonably be drawn that there are prospective purchasers to be misled. The actor's purpose to forestall expansion of the other's business is also an indication of the extent, in fact, of the other's interest in his trademark or trade name and of the limits within which the interest requires protection." [9]

In *United Drug Company vs. Rectanus Co.*, 248 U. S. 90, 98, the Court speaking through Mr. Justice Pitney, said:

> "Property in trade-marks and the right to their exclusive use rest upon the laws of the several States, and depend upon them for security and protection; the power of Congress to legislate on the subject being only such as arises from the authority to regulate commerce [fol. 566] with foreign nations and among the several States and with the Indian tribes. Trade-Mark Cases, 100 U. S. 82, 93." [10]

Parenthetically, it is interesting to note that when the definition of foreign commerce in the *Trade Mark Cases*, 100 U. S. 82, 96, is read literally, the conduct charged to Steele may be included: "* * * commerce with foreign nations means commerce between citizens of the United States and citizens and subjects of foreign nations * * *".

The Supreme Court has said that the power of Congress "when exercised in respect of foreign commerce may be broader than when exercised as to interstate commerce." *Atlantic Cleaners and Dyers vs. United States*, 286 U. S. 427, 434.

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[9] See also Hanover Milling Co. vs. Metcalf, 240 U. S. 403, 415; United Drug Co. vs. Rectanus Co., 248 U. S. 90, 101.

[10] See also 52 Am. Jur., Trademarks etc. Sec. 15, p. 514.

The extent to which Congress intended to exercise its powers over interstate commerce and over foreign commerce in the Lanham Trade Mark Act of 1946 is indicated by Dapline Robert's Commentary on that Act appearing just before 15 U. S. C. A., Sec. 1051 at pages 268 and 269, in part, saying:

> "The new Act clarifies and extends the phrase 'use in commerce' far beyond the previous laws and the decisions thereunder.
>
> " 'Commerce' is defined as meaning all commerce which may lawfully be regulated by Congress. This includes commerce between States, between Territories, between States and Territories, within the District of Columbia, within the Territories, between States and the District of Columbia, between Territories and the [fol. 567] District of Columbia, and between States, Territories or the District of Columbia and foreign nations. Since there is no limitation, it also appears to extend to any other commerce which burdens, restricts or interferes with the free flow of interstate, territorial or foreign commerce. The Supreme Court has held that an activity which is local in its nature may be regulated by Congress if it exercises substantial economic effect on interstate commerce. It is therefore apparent that purely intrastate uses may come under the provisions of the Act if they have a substantial economic effect on interstate, territorial or foreign commerce. * * *[11]
>
> "The foregoing extensions are important for purposes of registration, but they may be of even greater

[11] The definition of "commerce" referred to is in Title 15, U. S. C. A. Sec. 1127. That definition is new with the Lanham Act. It is certainly as broad as, if not broader than, the definitions of commerce employed in any other Federal statute. See the following Titles and Secs. of U. S. C. A.: Title 7, Sec. 182; Title 9, Sec. 1; Title 15, Secs. 12, 44, and 68; Title 18, Sec. 1951; Title 29, Secs. 142, 152 and 203; Title 30, Sec. 4(o); Title 33, Sec. 541; Title 45, Sec. 151; Pocket Supplement, Title 15, Sec. 69. The concluding paragraph of Title 15, Secs. 1127 further expresses the intent "to regulate commerce within the control of Congress, etc.".

importance in suppressing counterfeits and colorable imitations, since the infringer can no longer defeat an action on the ground that the infringement is purely intrastate.if, in fact, his conduct interferes with the free flow of interstate commerce or if it has a subsantial economic effect on such commerce.

"Federal Courts have jurisdiction of all actions arising under the Act, and for the first time their jurisdiction clearly extends to the intrastate user of a mark which infringes a mark registered under the Federal Act, as well as to intrastate acts of unfair competition irrespective of the amount in controversy or diversity of citizenship."

[fol. 568] It would seem that in the Lanham Trade Mark Act of 1946, the Congress intended to regulate interstate and foreign commerce to the full extent of its constitutional powers. To what extent do those powers extend beyond the boundaries of the United States?

It is not necessary in this case to draw any line of distinction between the jurisdiction of courts over persons domiciled with a country and over citizens thereof: "Both domicile and national allegiance are recognized bases of jurisdiction over a person." *United States vs. Stabler*, 169 F. 2d 995, 997. Here, the defendant Steele was domiciled in Texas, a citizen of the United States, and was personally served with process.

The controlling principle of law is well stated in Am. Law Inst., Restatement Conflict of Laws, Sec. 63:

"A nation recognized as such in the law of nations has jurisdiction over its nationals wherever they may be to require or forbid them to do an act unless the exercise of this jurisdiction involves the violation of the law or public policy of the state where the national is." [12]

It could not be contended that Steele's Mexican Trade Mark placed upon him any duty to use the name "Bulova".

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[12] See also the same text, Secs. 47(2), 80, and 377; Blackmer vs. U. S., 284 U. S. 421, 436; Milliken vs. Meyer, 311 U. S. 457; Johnson, Sec'y vs. Eisentrager, 339 U. S. 763, 769.

The Republic of Mexico was not interested in his exercise of the privilege purportedly granted. For the United States to exercise its jurisdiction over one of its own nationals involves no conflict with the sovereignty of the Republic of Mexico.

[fol. 569] Bulova Watch Company, at vast expense, has built up an asset of good will in the use of its trade mark or trade name "Bulova", that extends into if not throughout Mexico. If its watches are not actually being sold in that country now, Mexico may reasonably be expected to be within the normal expansion of its business.

Bad faith on Steele's part may clearly be inferred from his deliberate appropriation of the "Bulova" trade name. Further, one of the witnesses testified that when he complained that the price Steel was asking for a watch was too high, Steele replied, "Not for a Bulova".

Steel's conduct involved the purchase of watch cases and dials in the United States. It not only had a substantial effect on foreign commerce, but it resulted in injury to the Bulova Watch Company within the borders of the United States.

The representative of the Bulova Watch Company in the State of Texas testified as follows:

"Q. Concerning the trade area there, are there a considerable number of purchases of watches as a result of the advertising from Mexican areas?

"A. Oh, I would say a great deal, sir.

"Q. At the same time, have you received complaints concerning watches that are not true Bulovas, watches that have come from Mexico?

"A. I have had numerous complaints, and personal complaints, from practically every one of the jewelers in this particular district.

"Q. What is the character of those complaints?

"A. Well, they claim—* * * these people along the Border towns especially come in to me and show me watches brought in for repair, claiming that they [fol. 570] couldn't repair them. Well, I would *not* naturally have the watchmaker to open them up, and open up some of them myself, and look at them, but by just glancing at the watch, you can tell that it is not a Bulova

watch; after all, I have handled the product for a good many years.

"Q. To what extent have you received those complaints?

"A. Oh, they run into hundreds and hundreds of them and have been for a good long time too numerous to mention; they would run into—oh, upwards of five hundred.

"Q. Out of Mexico?

"A. Yes, sir."

The Lanham Act prohibits importation into the United States of labelled or branded merchandise, "which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader." [13]

That section is not effective, however, to prevent many Americans who visit Mexico from purchasing spurious Bulovas in Mexico and bringing them back across the border into the United States with a resultant substantial effect on foreign commerce and with resultant damage in the United States to the reputation and good will of the Bulova Watch Company.

While we have undertaken to reach a decision of this case by a consideration of basic principles, we have also carefully considered the cases relied on by the parties as [fol. 571] being most nearly applicable. [14] To discuss those cases would unduly extend this opinion. We think that they support the conclusion we have reached. The cases cited to the contrary may be distinguished upon one or more

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[13] 15 U. S. C. A. 1124.

[14] The Salton Sea Cases, 172 Fed. 792; Vacuum Oil Co. vs. Eagle Oil Co., 122 Fed. 105; (idem) 154 Fed. 867; U. S. Ozone Co. vs. U. S. Ozone Co. of America, 62 F. 2d 881; Branch vs. Fed. Trade Comm., 141 F. 2d 31; Amer. Banana Co. vs. United Fruit Co., 213 U. S. 347; Blackmer vs. U. S., 284 U. S. 421; Ingenohl vs. Olsen & Co., 273 U. S. 541; Hanover Star Milling Co. vs. Metcalf, 240 U. S. 403; Marshall vs. Turnbull, 32 Fed. 124; (idem) 34 Fed. 827; Western Clock Mfg. Co. vs. Smith, 2 T. M. Rep. 522; Geo. W. Luft Co. vs. Zande Cosmetic Co., 142 F. 2d 536, 539.

of the following grounds: (1) they did not relate to so far reaching a law as the Lanham Trade Mark Act; (2) they did not involve acts appropriating good will already established and designed to forestall the normal expansion of trade into a country; (3) they did not involve acts committed within the United States; (4) they did not involve damage resulting to property within the United States. In none of those cases was there any holding of want of jurisdiction on the part of a court to enter an *in personam* decree requiring a citizen domiciled within the jurisdiction of the court to obey the laws of his country even when doing acts beyond its territorial limits.

The cause is reversed for further proceedings not inconsistent with this opinion.

Reversed.

RUSSELL, Circuit Judge, dissenting:

We should not let our personal opinion of, and distaste for, unfair competition lead us into two fundamental errors, [fol. 572] which, it seems to me, the majority opinion evidences. I respectfuly submit that the holding of the majority in effect gives to the Lanham Trade-Mark Act of 1946[1] an extraterritorial force wholly unauthorized by the statute, and this error is compounded and increased by the Court's holding that the Courts of the United States have authority to, and indeed should, adjudicate the propriety, validity and legal effect of the administrative and judicial determination of a sister Republic so as to declare illegal and subject to injunction actions and conduct wholly within the jurisdiction and territorial confines of such Republic. Under even the broadest interpretation of the Lanham Act, *supra*, it evidences no attempt to prescribe a standard of fair competition for the Nations of the world. Its provisions are, and must be, applicable to territory within the reach of Congressional power. Neither do its provisions so compellingly permeate the being, or saturate the conscience, of an American resident, doing business in a foreign country, as to impose a guilty stain upon his acts there done in accordance with authority granted by such country's laws.

[1] 15 U. S. C. A. 1051, et seq.

An American citizen doing business in Mexico does so subject to Mexican laws. I take it that if that Government should declare an entirely opposite concept of, and policy toward, unfair competition than prevails with us this would in no way enlarge the jurisdiction of American Courts to deal with Mexican affairs. However, it appears, on the contrary, that the proper administrative authority of that Republic has granted to Steele the right to use the trade-mark "Bulova" and that the Courts of that Nation have likewise so adjudicated in litigation essentially between the parties to the present case. That which the sovereign [fol. 573] has authorized and judicially confirmed can not, when the acts are performed wholly within the territorial limits of such sovereign, be properly declared illegal and subject to injunction by our Courts merely because the perpetrator of such acts is an American citizen and in person subject to the jurisdiction of American Courts. Consequently, when, on December 5, 1933, the Mexican Director General of Industrial Property granted to Steele the right to use the name "Bulova" in the Republic of Mexico as a tradename for watches (as found by the trial Judge upon undisputed evidence) the acts of Steele *in Mexico* in accordance with the grant were not illegal. Especially is this so when it appears, as it does here, that his right to the trade-mark was upheld in the Mexican Courts in the proceedings in behalf of appellant seeking to set aside such registered trade-mark in which Steele was named as a party.

The principles which support the judgment of the trial Court in this case are well established. As declared by Justice Holmes for the Court in *American Banana Co. v. United Fruit Co.*, 213 U. S. 347, 356, "the general and almost universal rule is that the character of an act as lawful or unlawful must be determined wholly by the law of the country where the act is done. *Slater v. Mexican National R. R. Co.*, 194 U. S. 120, 126. * * * For another jurisdiction, if it should happen to lay hold of the actor, to treat him according to its own notions rather than those of the place where he did the acts, not only would be unjust, but would be an interference with the authority of another sovereign, contrary to the comity of nations, which the other state concerned justly [fol. 574] might resent." Supported by the ruling in *Ingenohl v. Olsen & Co.*, 273 U. S. 541, that—"a trade-mark,

started elsewhere, has only such validity and protection in a foreign country as the foreign law accords it," 63 Corpus Juris, p. 321, Trade-Marks, Section 11 states:

> "Trade-marks are limited by the territorial boundaries of the sovereignty in the sense that the existence of a trade-mark in any given jurisdiction is determined according to the law therein, without reference to any foreign rule, judicial or otherwise. Thus, a trade-mark started elsewhere depends for its protection in a foreign jurisdiction on the law prevailing therein, and confers no rights except by consent of that law. Our courts do not decide what trade-marks exist or do not exist in foreign countries, and the decision of a court of a foreign country as to the existence or non-existence of a trade-mark therein will be given full force and credit in this country; but such foreign decision will not settle who is entitled to the trade-mark here."

See also *Cruz v. O'Boyle*, 197 Fed. 824; *Spann v. Compania Mexicana Radiodifusora Fronteriza*, 131 F. 2d 609; *Harrison v. Triplex Gold Mines*, 33 F. 2d 667. The decision in *George W. Luft Co. v. Zande Cosmetic Co.*, 142 F. 2d 536, 540, expressly recognizes and applies the principle which should be applied here. The opinion by Circuit Judge Swan expressly holds that in the countries then involved where the defendants had established their right by the local law to use the tradename in dispute such use could not "constitute unfair competition" with the plaintiff, and therefore they should not be restrained from doing business there in [fol. 575] their corporate name or from using "there the trade-mark" in question.

The trial Court properly held that since the conduct complained of substantially related solely to acts done and trade carried on under full authority of Mexican law, and were confined to and affected only that Nation's internal commerce, it was without jurisdiction to enjoin such conduct.

[fol. 576] JUDGMENT

Extract from the Minutes of February 21st, 1952

No. 13396

BULOVA WATCH COMPANY, INC.,

versus

SIDNEY STEELE, et al.

This cause came on to be heard on the transcript of the record from the United States District Court for the Western District of Texas, and was argued by counsel;

On consideration whereof, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be, and the same is hereby, reversed for further proceedings not inconsistent with the opinion of this Court;

It is further ordered and adjudged that the appellees, Sidney Steele, and others, be condemned, in solido, to pay the costs of this cause in this Court, for which execution may be issued out of the said District Court.

"Russell, Circuit Judge, dissents."

[fols. 573-576] Petition for rehearing covering 4 pages filed March 7, 1952 omitted from this print. It was denied, and nothing more by order — March 13, 1952.

[fols. 577-581] Answer to petition for rehearing—filed March 13, 1952 (omitted in printing).

[fol. 586] ORDER DENYING REHEARING

Extract from the Minutes of March 13, 1952

No. 13396

BULOVA WATCH COMPANY, INC.,

versus

SIDNEY STEELE, et al.

Neither of the Judges who concurred in the judgment desire to grant the Petition for Rehearing and the same is therefore denied.

[fol. 587] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 583] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1951

No. 725

SIDNEY STEELE, et al., Petitioners,

vs.

BULOVA WATCH COMPANY, INC.

ORDER ALLOWING CERTIORARI—Filed June 2, 1952.

The petition herein for a writ of certiorari to the United States Court of Appeals for the Fifth Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

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OCTOBER TERM, 1952

No. ~~725~~ 38

SIDNEY STEELE, *et al*, PETITIONERS

versus

BULOVA WATCH COMPANY, INC., RESPONDENT.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR FIFTH CIRCUIT

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Supreme Court of the United States

OCTOBER TERM, 1951

SIDNEY STEELE, *et al*, PETITIONERS

versus

BULOVA WATCH COMPANY, INC., RESPONDENT.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR FIFTH CIRCUIT

Petitioners, Sidney Steele and wife, Sofia Steele, pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Fifth Circuit entered in the above cause on February 21, 1952. Petition for rehearing was denied on March 13, 1952.

OPINIONS BELOW

The Findings of Fact and Conclusions of Law and the judgment of the District Court are printed in the Record. (R. 347-50). The majority opinion of the Court of Appeals and the dissenting opinion of Judge Russell, yet unpublished, are printed in the Record. (R. 560-75)

JURISDICTION

Jurisdiction to review this case upon writ of certiorari is conferred by 28 U. S.C. Sec. 1254 (1). The judgment of the Court of Appeals for the Fifth Circuit was entered on February 21, 1952. Petition for Rehearing was filed March 7, 1952, and order denying the same was entered on March 13, 1952.

QUESTIONS PRESENTED

The questions presented are, whether the Court of Appeals erred in the following holdings which constitute the basis for its judgment:

1. In holding that the Lanham Trade-Mark Act (15 U.S.C. Sec. 1051 et seq.) prescribes standards of fair competition to be observed by all nationals of the United States in the Republic of Mexico and throughout the world and hence form the basis for a court of the United States to enjoin the use of a trade-name held under a grant from the Republic of Mexico and used solely within the Republic of Mexico in the internal commerce of that Nation.

2. In holding that a United States District Court has power to apply the laws of the United States and enjoin the use of and thus nullify and cancel Mexican National Trade-Mark No. 33602, adjudicated by the Courts of Mexico to validly grant to Petitioner, Sidney Steele, the right to use the name "Bulova" in the Republic of Mexico as a trade-name for watches, the evidence showing that watches bearing the name are assembled and stamped with the name in Mexico and sold only in the internal commerce of Mexico.

3. In holding that the mere fact that Sidney Steele is an American citizen and the Trial Court acquired jurisdiction by service of process on him, gave the Trial Court power to apply to his alleged acts of competition in Mexico

the laws of the United States, in the face of the fact that his use of the name "Bulova" solely in the internal commerce of the Republic of Mexico was in accordance with a trade-mark granted under Mexican law and adjudicated to be valid by the Mexican Courts.

4. In holding that the purchase of watch cases and watch dials from manufacturers and jobbers in the United States by Sidney Steele "had substantial affect on foreign commerce" resulting in "injury to the Bulova Watch Company within the border of the United States" (which finding is not supported by the record) because the purchase of such unbranded cases in the United States does not violate any right of the Bulova Watch Company, and does not justify nor tend to justify, an injunction enjoining the use solely in the Republic of Mexico of the registered trade-mark granted under the laws of that Nation.

The errors committed by the Court of Appeals set out above are hereby adopted as the "Specification of Errors to be Urged" in this Court.

STATUTE INVOLVED

The Lanham Trade-Mark Act, Act of July 5, 1946, 60 Stat. 427, incorporated in 15 U.S.C. Secs. 1051-1127. The interpretation of no specific provisions of this Act is involved but its general applicability to transactions within the Republic of Mexico is the question at issue.

STATEMENT

Respondent, Bulova Watch Co., Inc., filed suit on June 13, 1949, in the United States District Court at San Antonio, Texas, against Petitioners seeking a permanent injunction against the use by Sidney Steele of the name "Bulova" and a decree requiring cancellation of his duly granted trade-mark covering the name in Mexico. (R. 9-11).

Steele answered, stating that on December 5, 1933, he was granted Mexican National Trade-mark No. 33602 covering the name "Bulova" for use in connection with the sale of Swiss watches of all classes and that he had been engaged in selling Swiss watches imported from Switzerland in Mexico under said trade name since 1933; that his right to use the same in connection with the sale of Swiss watches in Mexico had been twice adjudicated by the Mexican courts in actions brought by Bulova Watch Company and its agent; and that the relief sought by Respondent had been barred by limitations and laches on account of some sixteen years of delay in seeking same. (R. 12-22).

The District Court, based on undisputed evidence, made the following findings of fact, none of which were complained of by Respondent in the Court below:

> "1. The Defendant Sidney Steele is now and has been since 1933 engaged in the business of selling watches solely in the Republic of Mexico from his sole and only place of business located in Mexico City. The Defendant Sidney Steele has no place of business in the United States and does not engage in the sale of watches or other goods within the United States or any of its territories. The Defendant Sidney Steele does not compete in the sale of watches in the United States or in any territory subject to its jurisdiction. (R. 360).
>
> "2. None of the acts of the Defendant Sidney Steele in placing the name 'Bulova' on the face or works of watches or in the sale of watches bearing said name were done or performed within the United States or any of its territories, but were done and performed solely within the Republic of Mexico where the Defendant Steele assembles, marks and sells all of the watches bearing the name 'Bulova' which are assembled, marked and sold by him. (R. 360).

"3. The Defendant Sidney Steele procures all of the works of the watches sold by him solely from manufacturers of watches in Switzerland. None of the works of watches imported by him into Mexico from Switzerland have the 'Buloya, name stamped or engraved on them, said name being placed thereon by said Defendant at his place of business in Mexico City and not elsewhere. The Defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for some watch cases and watch dials which are procured from manufacturers or jobbers in the United States. None of the watch cases or watch dials purchased in the United States or in Switzerland have the 'Bulova' name stamped or engraved thereon, such name being placed on watch dials by the Defendant Sidney Steele at his place of business in Mexico City and not elsewhere. (R. 361).

"4. On December 5, 1933, there was granted to S. Steele, Y. Cia., S. A., the predecessor in title of Sidney Steele, Mexican National Trade-mark No. 33602, purporting to grant the right to use the name 'Bulova' in the Republic of Mexico as a trade name for watches, and the Defendant Sidney Steele's asserted right to use said name is based on said Mexican trade-mark, which trade-mark has been the subject of litigation between the Plaintiff Bulova Watch Company, Inc., and the Department of National Economy and the Director of National Property of the Republic of Mexico in cases before the Mexican courts in which Defendant Sidney Steele was a party, and the Plaintiff has not up to this time been successful in such litigation. At the present time there is a suit or proceeding pending in Mexico with reference to the right as between Plaintiff and the Defendant Sidney Steele to use the 'Bulova' name on watches assembled and sold by said Defendant in Mexico." (R. 361).

Based upon the above findings, the Trial Court made the following conclusions of law:

> "1. The Court concludes that as a matter of law the alleged acts of unfair competition complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the Government and laws, both State and Federal, of the United States and outside of the territorial jurisdiction and powers of this Court.
>
> "2. The Court concludes that as a matter of law the acts and conduct complained of relate to the internal commerce of the Republic of Mexico, solely within the jurisdiction and control of the Courts and the laws of the Republic of Mexico.
>
> "3. The Court concludes as a matter of law that it is without authority or jurisdiction to set aside or otherwise annul the Mexican trade-mark under which Defendant asserts the right to use the 'Bulova' name." (R. 362).

On February 12, 1946, thirteen years after the granting of the Mexican trademark to Steele, Bulova Watch Co., through its attorney-in-fact, George Kessel (also called Jorge Kessel Jasven)., commenced an administrative proceeding before the Director of Industrial Property seeking to set aside the registered trademark, making Sidney Steele a party to the proceeding and alleging that he had fraudulently registered the trade name "Bulova." (R. 386-414). The Director General of Industrial Property denied the application on the ground that it was barred by a three-year limitation upon such actions prescribed by the Mexican law, (R. 419) and that "the proofs rendered do not carry the conclusion that the trademark 'Bulova' was notoriously known in this country on the date of the registry of such trademark." (R. 420).

The Bulova Company brought suit in the Federal District Court in Mexico City to set aside the above ruling of the Director of Industrial Property alleging, (a) that Bulova Watch Co. has "had the trademark 'Bulova' registered in Switzerland, United States of America and other countries, for more than forty years" and has sold watches under such name throughout the world and (b) that "Mr. Sidney Steele, in all bad faith had fraudulently registered the trademark 'Bulova' in his name in the office of Industrial Property, keeping such registration secret until he judged the necessary time had run in order that he might from then on devote himself to selling watches of poor quality made in Mexico by him with the trademark 'Bulova,' thus taking away the prestige from the legitimate owner." (R. 430-433).

This suit was tried in the Federal District Court at Mexico City, and the relief prayed for was granted, reversing the ruling of the Director General of Industrial Property. (R. 467-74).

The case was appealed by Sidney Steele and the Director of Industrial Property to the Supreme Court of Mexico (R. 475-498), and on June 24, 1948, the Supreme Court revoked the judgment of the District Court and denied all relief to the Bulova Watch Co., the court decreeing that "the judgment entered in the injunction suit to which this cause refers is revoked." (R. 513-514).

Thus, the administrative decision by the Director of Industrial Property sustaining the validty of the registered tradename "Bulova" and Sidney Steele's right to the use of the name was finally adjudicated against Bulova Watch Co. by the Supreme Court of Mexico. Every issue in the instant case was involved in that case and was adjudicated against Bulova Watch Co. and in favor of Steele.

On September 8, 1948, Bulova Watch Co. through its agent commenced a proceeding in the Federal District Court in Mexico City against the Director General of Industrial Property, alleging that the Director General had granted and subsequently revoked an authorization in fav of Bulova's agent to deal in imported watches under the name "Bulova." Sidney Steele was named "the third prejudiced party in the suit." (R. 517). The plaintiff prayed for an injunction against the action of the Director General of Industrial Property in revoking an official communication of December 30, 1946, recognizing the agent's right to the use of the name "Bulova" in Mexico on watches which he desired to import and sell. (R. 520). This injunction was denied, thus affirming the right of Sidney Steele to use the trade name under the grant from the Director General of Industrial Property. (R. 528-9).

REASONS FOR GRANTING THE WRIT

The Circuit Court has decided Federal questions in a way which is in conflict with applicable decisions of the Supreme Court as follows:

I.

The majority opinion of the Court of Appeals holds that the Lanham Trademark Act, setting up rules with reference to unfair competition in the use of trademarks and tradenames, is applicable to acts of an American citizen engaged in selling watches solely in the Republic of Mexico. The decision proceeds on the ground that the powers of the trial court over Steele arose out of his being an American citizen and the fact that he was brought into court by process served upon him within the Western District of Texas.

This holding is in conflict with the decision of the Supreme Court in *American Banana Co. v. United Fruit Co.*,

213 U. S. 347, 53 L. Ed. 826, in which this Court held that the correct rule was "that the character of an act as lawful or unlawful must be determined wholly by the law of the country where the act is done," and refused to apply the anti-trust laws of the United States in a suit between two American corporations arising out of competitive activities in Panama and Costa Rica. In its opinion this Court said:

> "For another jurisdiction, if it should happen to lay hold of the actor, to treat him according to its own notions rather than those of the place where he did the acts, not only would be unjust but would be an interference with the authority of another sovereign, contrary to the comity of nations, which the other state concerned justly might resent."
>
> "The foregoing considerations would lead, in case of doubt, to a construction of any statute as intended to be confined in its operation and effect to the territorial limits over which the lawmaker has general and legitimate power. 'All legislation is prima facie territorial.' Ex parte Blain, L. R. 12 Ch. Div. 522; State v. Carter, 27 N. J. L. 499; People v. Merrill, 2 Park. Crim. Rep. 590, 596. Words having universal scope, such as 'every contract in restraint of trade,' 'every person who shall monopolize,' etc., will be taken, as a matter of course, to mean only everyone subject to such legislation, not all that the legislator subsequently may be able to catch."

II.

The holding of the majority of the Court of Appeals that the trial court had the power under law to permanently enjoin the use of the Mexican National Trademark No. 33602 granted to Steele in accordance with Mexican statutory law and which had been held valid by the Mexican Courts, ignored and ran counter to the following decision of this Court:

In *Schooner Exchange v. M'Faddon*, 11 U. S. 116, 3 L. Ed. 287, this Court, speaking through Chief Justice Marshall, stated the fundamental concept of international law that the governmental powers of one sovereign nation do not extend into and govern rights within the territorial domain of another, as follows:

> "The jurisdiction of courts is a branch of that which is possessed by the nation as an independent sovereign power.
>
> "The jurisdiction of the nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself."

III.

The majority opinion of the Court of Appeals holds that an enforceable right to use a trade-mark or trade-name may not be acquired by an American citizen in accordance with the law of a foreign country if the same trade-mark or trade-name has been registered or used in the United States by others. This holding is in conflict with the law consistently applied by this Court in the following cases:

In *Ingenohl v. Olsen & Co.*, 273 U. S. 541, 71 L. Ed. 762, involving the recognition of a trade-mark in the British colony of Hong Kong, this Court put the matter tersely as follows:

> "A trade-mark started elsewhere would depend for its protection in Hong Kong upon the law prevailing in Hong Kong, and would confer no rights except by the consent of that law."

In *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 60 L. Ed. 713, Justice Holmes in a concurring opinion stated the power of different nations over the use of trade-marks within their boundaries as follows:

"But it never should be forgotten, and in this case it is important to remember, that when a trademark started in one state is recognized in another it is by the authority of a new sovereignty that gives sanction to the right. The new sovereignty is not a passive figurehead. It creates the right within its jurisdiction, and what it creates it may condition, as by requiring the mark to be recorded, or it may deny."

IV

The majority opinion of the Court of Appeals in holding that the purchase by Steele of unbranded and unmarked watch cases and dials in the United States and the importation of same into Mexico constituted a wrong which may be complained of by Bulova Watch Co., or was a fact which gave the trial court power to enjoin Steele's use of the name "Bulova" on watches placed in the imported watch cases, is in conflict with and contrary to the decision of the Supreme Court in the following case:

In *Dowagiac Manufacturing Company v. Minnesota Moline Plow Co.*, 235 U. S. 641, 59 L. Ed. 398, this Court held that a sale in Canada of grain "drills" or planters covered by a United States patent did not constitute an infringement of the patent, holding that the place of sale and not the place of origin of the product was determinative of the question as to the application of the foreign law. In its opinion this Court said:

"Some of the drills, about 261, sold by the defendants, were sold in Canada, no part of the transaction occurring within the United States, and as to them there could be no recovery of either profits or damages. The right conferred by a patent under our law is confined to the United States and its territories (Rev. Stat. Sec. 4888, Comp. Stat. 1913, Sec. 9428), and infringement of this right cannot be pred-

> icated of acts wholly done in a foreign country. See United Dictionary Co. v. G. & C. Merriam Co. 208 U. S. 260, 265, 52 L. Ed. 478, 480, 28 Sup. Ct. Rep. 290. The case of Gould's Mfg. Co. v. Cowing, 105 U. S. 253, 26 L. Ed. 987, is cited as holding otherwise, but is not in point. There the defendant made the infringing articles in the United States. Here, while they were made in the United States, they were not made by the defendants. The latter's infringement consisted only in selling the drills after they passed out of the makers' hands. The place of sale is therefore of controlling importance here."

What Bulova Watch Company seeks to enjoin Steele from doing is the placing of the word "Bulova" on the watches in the Republic of Mexico. No injunction is sought in this case against his purchasing unbranded watch cases and watch dials in the United States. The purchase of unmarked watch dials and watch cases in the United States does not violate any of Bulova Watch Company's legal rights and it forms no basis for granting it any relief against Steele.

V.

The majority opinion of the Court of Appeals holds that the Trial Court had the power under law to grant Bulova Watch Co. an injunction against the use by Steele of the Mexican trade-mark "Bulova" in the face of the fact that his right to use the same in Mexico had been adjudicated against Bulova Watch Co. and in favor of Steele in the Mexican Courts. This holding of the court below is in conflict with a decision of this Court and the Court of Appeals for the First Circuit as follows:

In *Underhill v. Hernandez*, 168 U. S. 250, 42 L. Ed. 456, this Court stated the rule requiring recognition of foreign judgments and of the acts of friendly foreign governments as follows:

> "Every sovereign state is bound to respect the independence of every other sovereign state, and the courts of one country will not sit in judgment on the acts of the government of another done within its own territory. Redress of grievances by reason of such acts must be obtained through the means open to be availed of by sovereign powers as between themselves."

In *Harrison v. Triplex Gold Mines*, 33 F. 2d, 667, the Circuit Court for the First Circuit passed upon a case in which plaintiff sought an injunction against a Canadian corporation recognizing certain rights of the individual defendants in the case which had been established by a decree of the Canadian Courts against the corporation. The case was a derivative suit brought by stockholders of the corporation and was, therefore, viewed as a suit by the corporation attacking the Canadian judgment. In deciding the case the Circuit Court said:

> "When citizens of this country engage in an enterprise in a foreign country with respect to property there situated, they subject themselves to the laws, decisions, and decrees of its courts repecting such property and property rights. No cases have been cited and none have been found which would sustain the jurisdiction of this court to declare null and void the orders and decrees of a court of general jurisdiction in Canada."

Mexican National Trade-mark No. 33602 granted to Steele is a species of property created by the laws of Mexico and adjudicated to be valid as against Bulova Watch Co. by the Mexican courts. The trial court did not have the power to annul this right.

As pointed out in the "Statement" above, the right of Sidney Steele to use the name "Bulova" on watches sold in

the Republic of Mexico was determined by the judgment of the Supreme Court of Mexico in 1948 (R. 513-14), and by the District Court for the Federal District in December, 1949. (R. 528-9).

VI.

The Court of Appeals in this case has decided an important question of Federal law which should be settled by this Court. The Court clearly misconstrued the Lanham Trademark Act as expressing an intent on the part of Congress to regulate competition confined to the internal commerce of a foreign country, which Congress has no power to do.

The Lanham Trademark Act does not contain provisions which purport to extend the application of the Act beyond the boundaries of the United States. It forbids unfair competition and the unlawful use of a trademark in "commerce," and defines the term "commerce" as all commerce "which may lawfully be regulated by Congress." The Supreme Court has held that Congress has no jurisdiction or power beyond the boundaries of the United States and its possessions. The power of Congress does not extend to regulating commerce within the territorial limits of a foreign nation whether such commerce be engaged in by a national of this country or a native of the foreign country.

Section 1124 of Title 15, United States Code, a part of the Lanham Act, contains a specific prohibition against the importation into the United States of labelled or branded merchandise "which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader," thus clearly recognizing that goods bearing such marks or names which are not imported into the United States are beyond the reach of the Act.

The majority opinion of the court below relies on the commentary of Daphne Roberts on the Lanham Act, 15 U. S.

C. A. preceding Sec. 1051. This commentary as quoted in the opinion deals principally with the extension of by the act of the Federal power as against the laws of the states composing the United States. It is obvious that the powers of Congress granted by the Federal Constitution are paramount to the legislative authority of the several states of the United States. This is not true with reference to the legislative or administrative or judicial acts of the Republic of Mexico or any other foreign state. The Circuit Court indulged in the fallacy that the acts of Steele in branding watches with the "Bulova" name in Mexico and selling them solely in the "domestic" commerce of that country in accordance with rights granted him under Mexican law constitute acts done in "foreign" commerce within the meaning of the law. This is not correct.

This case should be disposed of in accordance with the dissenting opinion of Judge Russell in the court below.

CONCLUSION

For the foregoing reasons, this petition for writ of certiorari should be granted.

Respectfully submitted,

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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM 1952

NO. 38

SIDNEY STEELE, et al, PETITIONERS

versus

BULOVA WATCH COMPANY, INC.

ON WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

BRIEF FOR THE PETITIONERS

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OPINIONS

The majority opinion of the Court of Appeals (R. 389) and the dissenting opinion of Judge Russell (R. 399) are reported in 194 F. 2d 567-573. The findings of fact and conclusions of law of the District Court are printed in the record at pages 238-240.

JURISDICTION

The judgment of the Court of Appeals was entered on February 21, 1952. Petition for rehearing was filed March 7, 1952 and order denying the same was entered March 13, 1952. Petition for Certiorari was filed April 21, 1952 and was granted June 2, 1952. Jurisdiction of this Court rests on 28 U.S.C. 1254 (1).

STATUTES INVOLVED

The Lanham Trade-Mark Act, the Act of July 5, 1946, 60 Stat. 427, incorporated in 15 U.S.C. Secs. 1051-1127. The interpretation of no specific provisions of this Act is involved but its applicability to marks registered and used only within the Republic of Mexico is the question at issue.

SPECIFICATION OF ERRORS

The question presented and urged arise upon the following errors of the Court of Appeals:

1. The Court erred in holding that the Lanham Trade-Mark Act (15 U.S.C. Sec. 1051 et seq.) prescribes standards of fair competition to be observed by all nationals of the United States in the Republic of Mexico and throughout the world and hence forms the basis for a court of the United States to enjoin the use of a trade-name held under a grant from the Republic of Mexico and used solely within the Republic of Mexico in the internal commerce of that Nation.

2. The Court erred in holding that a United States District Court has power to apply the laws of the United States and enjoin the use of and thus nullify and cancel Mexican National Trade-Mark No. 33602, adjudicated by the Courts of Mexico to validly grant to Petitioner, Sidney

Steele, the right to use the name "Bulova" in the Republic of Mexico as a trade-name for watches, the evidence showing that watches bearing the name are assembled and stamped with the name in Mexico and sold only in the internal commerce of Mexico.

3. The Court erred in holding that the mere fact that Sidney Steele is an American citizen and the Trial Court acquired jurisdiction by service of process on him, gave the Trial Court power to apply the laws of the United States to his alleged acts of competition in Mexico in the face of the fact that his use of the name "Bulova" solely in the internal commerce of the Republic of Mexico was in accordance with a trade-mark granted under Mexican law and adjudicated to be valid by the Mexican Courts.

4. The Court erred in holding that the purchase by Sidney Steele of unbranded watch cases and watch dials from manufacturers and jobbers in the United States furnished a basis for the granting of an injunction against Petitioners, because the purchase of such unbranded cases and dials does not violate any right of Bulova Watch Company protected by law and does not justify nor tend to justify an injunction by a United States Court against the use in the Republic of Mexico of the trade-mark granted under the laws of Mexico.

STATEMENT

Bulova Watch Company, Inc., filed this suit on June 13, 1949 in the United States District Court at San Antonio, Texas, seeking a permanent injunction against the use by Sidney Steele of the name "Bulova" and a decree requiring cancellation of his duly granted Mexican National Trade-Mark No. 33602 covering the name "Bulova" for use in Mexico on Swiss watches. (R. 1-8)

Steele answered, stating that on December 5, 1933, he was granted Mexican National Trade-Mark No. 33602 covering the name "Bulova" for use in connection with the sale of Swiss watches of all classes (R. 260) and that he had been engaged in selling Swiss watches imported from Switzerland in Mexico under said trade name since 1933; that his right to use the same in connection with the sale of Swiss watches in Mexico had been twice adjudicated by the Mexican courts in actions brought by Bulova Watch Company and its agent; and that all of the transactions in watches bearing the name "Bulova" occurred within the Republic of Mexico and were in accordance with and sanctioned by the law of the Republic of Mexico and that the laws of the United States were wholly inapplicable thereto. (R. 8-15).

The District Court, based on undisputed evidence, made the following findings of fact, none of which were set aside or altered by the Circuit Court:

"1. The Defendant Sidney Steele is now and has been since 1933 engaged in the business of selling watches solely in the Republic of Mexico from his sole and only place of business located in Mexico City. The Defendant Sidney Steele has no place of business in the United States and does not engage in the sale of watches or other goods within the United States or any of its territories. The Defendant Sidney Steele does not compete in the sale of watches in the United States or in any territory subject to its jurisdiction. (R. 238)

"2. None of the acts of the Defendant Sidney Steele in placing the name 'Bulova' on the face or works of watches or in the sale of watches bearing said name were done or performed within the United States or any of its territories, but were done and performed solely within the Republic of Mexico where the Defendant Steele assembles, marks

and sells all of the watches bearing the name 'Bulova' which are assembled, marked and sold by him. (R. 238).

"3. The Defendant Sidney Steele procures all of the works of the watches sold by him solely from manufacturers of watches in Switzerland. None of the works of watches imported by him into Mexico from Switzerland have the 'Bulova,' name stamped or engraved on them, said name being placed thereon by said Defendant at his place of business in Mexico City and not elsewhere. The Defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for some watch cases and watch dials which are procured from manufacturers or jobbers in the United States. None of the watch cases or watch dials purchased in the United States or in Switzerland have the 'Bulova' name stamped or engraved thereon, such name being placed on watch dials by the Defendant Sidney Steele at his place of business in Mexico City and not elsewhere. (R. 238).

"4. On December 5, 1933, there was granted to S. Steele, Y. Cia., S. A., the predecessor in title of Sidney Steele, Mexican National Trade-Mark No. 33602, purporting to grant the right to use the name 'Bulova' in the Republic of Mexico as a trade name for watches, and the Defendant Sidney Steele's asserted right to use said name is based on said Mexican trade-mark, which has been the subject of litigation between the Plaintiff Bulova Watch Company, Inc., and the Department of National Economy and the Director of National Property of the Republic of Mexico in cases before the Mexican courts in which Defendant Sidney Steele was a party, and the Plaintiff has not up to this time been successful in such litigation. At the present time there is a suit or proceeding pending in Mexico with reference to the right as between Plaintiff and the Defendant Sidney Steele to use the 'Bulova' name

on watches assembled and sold by said Defendant in Mexico." (R. 239).

Based upon the above findings, the Trial Court made the following conclusions of law:

> "1. The Court concludes that as a matter of law the alleged acts of unfair competition complained of by Plaintiff were and are done and performed wholly outside of the jurisdiction and control of the Government and laws, both State and Federal, of the United States and outside of the territorial jurisdiction and powers of this Court.
>
> "2. The Court concludes that as a matter of law the acts and conduct complained of relate to the internal commerce of the Republic of Mexico, solely within the jurisdiction and control of the Courts and the laws of the Republic of Mexico.
>
> "3. The Court concludes as a matter of law that it is without authority or jurisdiction to set aside or otherwise annul the Mexican trade-mark under which Defendant asserts the right to use the 'Bulova' name." (R. 239-40).

The following is a brief history of the litigation in Mexico which preceded the filing of this suit:

On February 12, 1946, thirteen years after the granting of the Mexican trade-mark to Sidney Steele, Bulova Watch Company commenced an administrative proceeding before the Director of Industrial Property "for a declaration of falsification, imitation and illegal use of the trade-mark 'Bulova'." The petition in this 1946 case raised substantially the same issues as the petition filed in the District Court at San Antonio, Texas in the instant case. (R. 262-266).

The Director General of Industrial Property of the Republic of Mexico denied the petition on the ground that it was barred by a 3-year limitation provision of Mexican

law (R. 286 and 383) and that "the proofs rendered do not carry the conclusion that the trade-mark 'Bulova' was notoriously known in this country on the date of the registry of such trade-mark." (R. 286). The "declaration of nullity" sought by Bulova Watch Company was in all things denied. (R. 293).

This action was reviewed by the District Court for the Federal District, Mexico City, and a decree was entered reversing the above-mentioned decree of the Director General of Industrial Property (R. 321-327). The judgment of the District Court was appealed by Sidney Steele and the Director of Industrial Property to the Supreme Court of Mexico, (R. 327-333) and on June 24, 1948 the Supreme Court of Mexico reversed the judgment of the District Court and affirmed the decree of the Director of Industrial Property, the Supreme Court declaring that the "judgment entered in the injunction suit to which this cause refers is revoked." (R. 346-358)

Thus, the administrative decree of the Director of Industrial Property sustaining the validity of the registered trade-name "Bulova" and Sidney Steele's right to the use of the name was finally adjudicated against Bulova Watch Company by the Supreme Court of Mexico. The issues in the instant case were involved in that case and were adjudicated against Bulova Watch Company and in favor of Steele.

On September 8, 1948, Bulova Watch Company commenced a proceeding in the Federal District Court in Mexico City against the Director General of Industrial Property, alleging that the Director General had granted and subsequently revoked an authorization in favor of Bulova's agent to deal in imported watches under the name "Bulova." Sidney Steele was named "the third prejudiced party in the suit." (R. 360) The Plaintiff prayed for an

injunction against the action of the Director General of Industrial Property in revoking an official communication of December 30, 1946, recognizing the agent's right to the use of the name "Bulova" in Mexico on watches which he desired to import and sell. (R. 363). This injunction was denied on the authority of "the final judgment of the Supreme Court of Justice of the Nation," again affirming the right of Sidney Steele to use the trade-name under the grant from the Director General of Industrial Property. (R. 367-9).

On September 11, 1948, Sidney Steele commenced an action before the Director of Industrial Property seeking a declaration of illegal use of his Trademark No. 33602 named "Bulova" by Bulova Watch Company, Inc. (R. 379), and answer was filed in such administrative action on October 20, 1948. (R. 381-2).

Bulova Watch Company, having been unsuccessful in attacking the trade-mark grant to Steele in the courts of Mexico, decided to attempt to re-commence the litigation in the American courts and claim that the validity of the Mexican trade-mark and the right to use the same in Mexico is governed by the laws of the United States and particularly the Lanham Trademark Act.

The instant suit based on the above theory, was filed in the District Court at San Antonio on June 13, 1949. (R. 1). The decision of the trial court dismissing the case and the basis thereof has been set out above.

The Court of Appeals reversed the judgment of the trial court, holding that the Lanham Trademark Act was applicable to the fact situation involved and furnished a basis for the granting of the relief sought by Bulova Watch Company.

SUMMARY OF ARGUMENT

1. Steele's right to use the "Bulova" name is based upon Mexican National Trade-Mark No. 33602 granted to him in 1933 under Mexican law. He used the name in Mexico continuously until 1946, a period of 13 years, before any challenge of his right to use the name was made by Bulova Watch Company. This challenge culminated in a decision of the Supreme Court of Mexico affirming Steele's right to the registered trade-mark "Bulova" in Mexico which right was again affirmed by the District Court for the Federal District in 1948. Under these facts the courts of the United States should not enter a decree canceling or issue an injunction nullifying the Mexican trade-mark used only in the internal commerce of Mexico.

2. The legal basis for the relief sought by Bulova Watch Company is the laws of the United States, and particularly the Lanham Trade-mark Act. This Act forbids unfair competition only in interstate and foreign commerce and is inapplicable to the trade-mark granted to Steele under Mexican law which is used solely in the internal commeree of Mexico.

3. The fact that Steele is a naturalized citizen of the United States does not require him while engaged in the business of selling watches in the internal commerce of Mexico to conform to the Lanham Trade-mark Act or any of the other laws of the United States regulating interstate and foreign commerce. There is nothing in the Lanham Trade-mark Act to indicate an intent on the part of Congress that it should apply to American citizens engaged in local commerce in foreign countries. In the absence of an express legislative provision making the Act applicable to citizens engaged in local trade in foreign countries the

Act should not be construed to apply to such foreign local activities.

4. The purchase by Steele of unmarked and unbranded watch cases and watch dials from manufacturers and jobbers in the United States infringes no right of Bulova Watch Company and violates no duty owed by Steele to said Company or anyone else. The purchase of unbranded and unmarked watch dials in the United States is irrelevant to the right of Bulova Watch Company to annul and cancel the Mexican trade-mark granted to Steele under which he uses the "Bulova" name on watches branded and sold solely within the Republic of Mexico in the internal commerce of said country.

5. Since Bulova Watch Company desires to enter into competition in the internal commerce of the Republic of Mexico with Steele and others in the sale of watches, it should do so in accordance with the laws of Mexico, and the administrative and judicial acts thereunder. Its remedy in the instant case is under Mexican law before the administrative agencies and courts of Mexico and not under the laws of the United States or in its courts.

ARGUMENT

The majority opinion in the Court of Appeals does not discuss, and apparently the majority of the Court did not consider, the true basis on which the Trial Court acted in this case.

The Trial Court found that Steele's claim of right to use the "Bulova" name was founded on a grant of such right by competent Mexican authority under the laws of Mexico and that Bulova Watch Company was seeking the decree of a court of the United States setting aside this official Mexican grant. The title of the Mexican National

Trade-Mark No. 33602 shows that it is a "grant" of the "exclusive ownership" of the "use of the word 'Bulova' " to cover watches. (R. 260).

Bulova Watch Company contends that it should be protected in the use of the "Bulova" name in the Republic of Mexico by the courts of the United States in accordance with the common law principles and the trade-mark statutes of the United States. The Company does not allege or contend that Mexico is a "common law" country. It is, of course, a "civil law" jurisdiction where exclusive rights to the use of trade-marks are obtained only by registration and grant in accordance with statutory or "code" law. Mexican National Trade Mark No. 33602 granted to Steele under Mexican code law is not subject to cancellation or to nullification except under and in accordance with the provisions of the Law of Industrial Property of the Republic of Mexico.

The courts of the United States should no more cancel and nullify the right to use a trade-name or trade-mark granted in Mexico under Mexican law than should the Mexican courts cancel rights grantetd or acquired under the laws of the United States to use a trade-mark or trade-name in the United States. This was the view of the Trial Court in the instant case. It held that, as a court of the United States, it "is without authority or jurisdiction to set aside or otherwise annul the Mexican trade-mark." (R. 240).

Marshall v. Turnbull, 34 Fed. 827, is a decision illustrating this principle. In that case the Circuit Court for the Eastern District of New York dismissed a suit seeking an injunction against the assertion of rights in an asphalt lake on an island in the mouth of the Orinoco River in Venezuela. The Court first held (32 Fed. 124) that injunctive relief might properly be granted since the Court

had jurisdiction over the Defendant as a person and was in a position to enforce its decree against him. However, on reconsideration the Court held that the relief sought was in derogation of a grant and official acts of the government of Venezuela, and that the Court was without authority to grant such relief. In deciding the case the Court said:

> "A naked injunction is asked for against him on the ground that his title is void because Venezuelan officials acted improperly in creating it. In other words, he, it is claimed, holds nothing, not because what he took passed (equitably) through him to the Manoa Company, but because the Venezuelan Government could give nothing. Turnbull's position under this bill is no different from that of some stranger to whom the Venezuelan government might have conveyed the rights originally conceded to Fitzgerald; and the court is asked to enjoin waste upon, or interference with, property in a foreign country, because, as it is alleged, certain official acts of the government of that country (annulling one concession and making a new one) are void. Such relief cannot be administered on such ground."

The trade-mark "Bulova" granted to Steele under Mexican law is a Mexican property right drawng its existence and force from the laws of Mexico. The use by Steele of the name on watches assembled and sold by him in Mexico constitutes the very essence of the right granted to him by Mexican National Trademark No. 33602. To enjoin him from the use of it is the same thing as entering a decree of cancellation of the registration and grant itself.

This point is stated with clarity and force by Judge Russell in his dissent in the Court of Appeals as follows:

> "That which the sovereign has authorized and judicially confirmed can not, when the acts are performed wholly within the territorial limits of such

> sovereign, be properly declared illegal and subject to injunction by our Courts merely because the perpetrator of such acts is an American citizen and in person subject to the jurisdiction of American Courts. Consequently, when, on December 5, 1933, the Mexican Director General of Industrial Property granted to Steele the right to use the name "Bulova" in the Republic of Mexico as a tradename for watches (as found by the trial Judge upon undisputed evidence) the acts of Steele *in Mexico* in accordance with the grant were not illegal. Especially is this so when it appears, as it does here, that his right to the trade-mark was upheld in the Mexican Court in the proceedings in behalf of appellant seeking to set aside such registered trade-mark in which Steele was named as a party." (R. 400)

The general rules with reference to the recognition of trade-marks or trade-names are stated in Section 11 of the Article on "Trade-marks, Trade Names and Unfair Competition," in *Volume* 63, *Corpus Juris*, as follows:

> "One person may own a particular trade-mark in one country or jurisdiction and the same trade-mark may belong to another person in another country or jurisdiction, or the same trade-mark may belong to one person in one part of a state and to another person in another part of the same state, or the trade-mark may be valid in one country and invalid in another."
>
> * * * *
>
> "Our courts do not decide what trade-marks exist or do not exist in foreign countries, and the decision of a court of a foreign country as to the existence or nonexistence of a trade-mark therein will be given full force and credit in this country; but such foreign decision will not settle who is entitled to the trade-mark here."

The above rule was stated and applied in *Ingenohl v. Olsen & Co.*, 273 U. S. 541, 71 L. Ed. 762, in an opinion

written by Justice Holmes involving the recognition of a trade-mark in the British colony of Hong Kong. Justice Holmes put the matter tersely as follows:

> "A trade-mark started elsewhere would depend for its protection in Honk Kong upon the law prevailing in Hong Kong, and would confer no rights except by the consent of that law."

In the case of *Hanover Star Milling Co. v. Metcalf*, 240 U. S. 403, 61 L. Ed. 713, Justice Holmes in a concurring opinion stated the power of different states over the use of trade-marks in their territory as follows:

> "But it never should be forgotten, and in this case it is important to remember, that when a trade-mark started in one state is recognized in another it is by the authority of a new sovereignty that gives its sanction to the right. The new sovereignty is not a passive figurehead. It creates the right within its jurisdiction, and what it creates it may condition, as by requiring the mark to be recorded, or it may deny."

The Lanham Trade-mark Act does not contain any provisions which attempt to extend the application of the Act beyond the boundaries of the United States. It forbids unfair competition and the use of a trade-mark in "commerce," and defines the term "commerce" as all commerce "which may lawfully be regulated by Congress." This Court has specifically held that Congress has no jurisdiction beyond the boundaries of the United States and its possessions. Its power does not extend into the territorial limits of a foreign nation and control acts pertaining to its internal commerce or affairs.

It is a fundamental concept of international law, as well as a matter of logic, that the government powers of one sovereign nation do not extend into and govern rights within the territorial domain of another sovereign nation.

In *The Schooner Exchange v. M'Faddon*, 7 Cr. 114 at page 136, Chief Justice Marshall stated this fundamental principle as to the jurisdiction of courts and national authority as follows:

> "The jurisdiction of courts is a branch of that which is possessed by the nation as an independent sovereign power.
>
> "The jurisdiction of the nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. Any restriction upon it, deriving validity from an external source, would imply a diminution of its sovereignty to the extent of the restriction, and an investment of that sovereignty to the same extent in that power which could impose such restriction.
>
> "All exceptions, therefore, to the full and complete power of a nation within its own territories, must be traced up to the consent of the nation itself. They can flow from no other legitimate source."

In *The People v. McLeod*, 1 Hill 377, 15 N. Y. Com. L. Rep. 164, the Supreme Court of New York quoted the above language of Chief Justice Marshall and said: "these are not rules of yesterday; but have formed a part of the acknowledged law of nations for nearly two thousand years."

In *American Banana Co. v. United Fruit Co.*, 213 U. S. 347, 53 L. Ed. 826, the Court held that it was the universal rule "that the character of an act as lawful or unlawful must be determined wholly by the law of the country where the act is done," and refused to apply the antitrust laws of the United States in a suit between two American corporations based upon activities in Panama and Costa Rica. In its opinion the Court said:

> "For another jurisdiction, if it should happen to lay hold of the actor, to treat him according to

its own notions rather than those of the place where he did the acts, not only would be unjust but would be an interference with the authority of another sovereign, contrary to the comity of nations, which the other state concerned justly might resent."

* * * *

"The foregoing considerations would lead, in case of doubt, to a construction of any statute as intended to be confined in its operation and effect to the territorial limits over which the lawmaker has general and legitimate power. 'All legislation is prima facie territorial.' . . . Words having universal scope, such as 'every contract in restraint of trade,' 'every person who shall monopolize,' etc., will be taken, as a matter of course, to mean only everyone subject to such legislation, not all that the legislator subsequently may be able to catch."

In *Brown v. Duchesne*, 19 How. 183, 15 L. Ed. 595, it was held that a United States patent could be infringed only by acts done within the territorial boundaries of the United States. The opinion was written by Chief Justice Taney, and stated the basic principle with reference to the territorial reach of acts of Congress as follows:

"But these Acts of Congress do not, and were not intended to, operate beyond the limits of the United States; and as the patentee's right of property and exclusive use is derived from them, they cannot extend beyond the limits to which the law itself is confined. And the use of it outside of the jurisdiction of the United States is not an infringement of his rights, and he has no claim to any compensation for the profit or advantage the party may derive from it."

Cuba Railroad Company v. Crosby, 222 U. S. 473, 56 L. Ed. 274, involved the liability for personal injuries suffered by an employee while working for the defendant Railroad

in Cuba. The court held that since the liability, if any, arose under the law of Cuba and since the plaintiff produced no evidence as to what that law was, no presumption could be indulged in that it was the same as the law of the United States. On this point this Court said:

> "But when an action is brought upon a cause arising outside of the jurisdiction, it always should be borne in mind that the duty of the court is not to administer its notion of justice, but to enforce an obligation that has been created by a different law . . . . . The law of the forum is material only as setting a limit of policy beyond which such obligations will not be enforced there. With very rare exceptions the liabilities of the parties to each other are fixed by the law of the territorial jurisdiction within which the wrong is done and the parties are at the time of doing it . . . . . That, and that alone, is the foundation of their rights."

The majority opinion of the Circuit Court, in holding that the Lanham Trade-mark Act covered the use by Steele of the Mexican trade-mark within the Republic of Mexico stated: "It would seem that in the Lanham Trade-mark Act of 1946 the Congress intended to regulate interstate and foreign commerce to the full extent of its constitutional powers." The majority opinion, based on this premise, then proceeds to apply the Act as though it related not to the regulation of "interstate and foreign commerce", but to be internal or domestic commerce of the Republic of Mexico.

This illogical application of the Act dealing with "interstate and foreign" commerce to local commerce in a foreign country by the majority of the Circuit Court is sought to be justified by the fact that Sidney Steele is a naturalized citizen of the United States.

Laying aside for the moment the question as to whether or not the Congress of the United States has power to legislate with reference to the internal commerce of Mexico (which power is denied in the decisions quoted above) let us examine the question as to whether or not the Congress in enacting the Lanham Trade-Mark Act evidenced any intent to legislate with respect to such commerce or with respect to citizens doing business in the internal commerce of another country.

In *Sandberg v. McDonald*, 248 U. S. 185, 63 L. Ed. 200, this Court held that employment contracts of foreign seamen on foreign vessels in a foreign port were not invalidated on account of conflicting with the acts of Congress relating to payment of seamen's wages, and discussed the territorial nature of legislative acts as follows:

> "Legislation is presumptively territorial and confined to limits over which the lawmaking power has jurisdiction. American Banana Co. v. United Fruit Co., 213 U. S. 347, 357, 53 L. Ed. 826, 832 29 Sup. Ct. Rep. 511, 16 Ann. Cas. 1047. In Patterson v. The Eudora, supra, this court declared such legislation as to foreign vessels in United States ports to be constitutional. We think that there is nothing in this section to show that Congress intended to take over the control of such contracts and payments as to foreign vessels except while they were in our ports. Congress could not prevent the making of such contracts in other jurisdictions."

We submit that the Lanham Act is presumptively territorial as to the persons and transactions covered by it. There is nothing in the Lanham Trade-Mark Act to indicate any intention of Congress to make it effective as to citizens of the United States engaged in the internal commerce of Mexico or any other foreign country. The provision of the Act stating that it supplies to "all commerce

which may lawfully be regulated by Congress" does not deal with what "persons" the Act applies to, but to what "commerce" the same applies. The commerce intended to be covered is clearly "interstate and foreign" commerce and this provision of the law is not susceptible to any other construction.

There is nothing in the Lanham Act to indicate that Congress intended to depart from the common sense principle generally applied to civil statues regulating commerce and trade and to adopt a new and unprecedented principle that the same is to be applied to citizens of the United States in their local businesses established in and operated under the laws and customs of foreign countries.

There have been a few acts of Congress dealing with matters relating to citizenship itself which Congress has made specifically applicable to American citizens residing abroad.

In *Blackmer v: United States*, 284 U. S. 421, 76 L. Ed. 375, this Court sustained an act of Congress providing for the service of subpoenas upon American citizens residing in foreign countries, holding that this related to a duty appertaining to citizenship. But in that case the Court stated that "the legislation of Congress, unless the contrary intent appears, is construed to apply only within the territorial jurisdiction of the United States."

The Lanham Trade-Mark Act may be searched in vain for any expression of intent that it shall be applied on the basis of American citizenship or that the Congress had any intention that it would apply to rights arising under registered Mexican trade-names placed on articles sold only in the Republic of Mexico.

In *United States v. Bowman*, 260 U. S. 94, 67 L. Ed. 149, this Court discussed the extraterritorial application of the laws of the United States as follows:

> "Crimes against private individuals or their property, like assaults, murder, burglary, larceny, robbery, arson, embezzlement, and frauds of all kinds which affect the peace and good order of the community, must, of course, be committed within the territorial jurisdiction of the government where it may properly exercise it. If punishment of them is to be extended to include those committed outside of the strict territorial jurisdiction, it is natural for Congress to say so in the statute, and failure to do so will negative the purpose of Congress in this regard."

As stated in the above case, if Congress intends an act to be applicable outside of the territorial jurisdiction of the United States "it is natural for Congress to say so in the statute, and failure to do so will negative the purpose of Congress in this regard." Therefore, the failure of Congress to specifically provide in the Lanham Trade-Mark Act that it would apply to American nationals engaged in the internal commerce of foreign countries negatives any inference that Congress intended it to so apply.

The last article of the Lanham Trade-Mark Act (Article 1127 U. S. Code) contains a statement of the intent and purpose of the Act but, significantly, does not state that it is intended to apply to American nationals abroad or to the internal commerce of other nations. Certainly if Congress had any such novel idea in mind it would have been noted in this or some other section of the Act and would have been the subject of debate or comment in Congress.

As stated by Judge Russell of the Court of Appeals in his dissenting opinion:

> "Under even the broadest interpretation of the Lanham Act, supra, it evidences no attempt to prescribe a standard of fair competition for the Nations of the world. Its provisions are, and must be,

> applicable to territory within the reach of Congressional power. Neither do its provisions so compellingly permeate the being, or saturate the conscience, of an American Resident, doing business in a foreign country, as to impose a guilty stain upon his acts there done in accordance with authority granted by such country's laws." (R. 399).

The majority opinion of the Court of Appeals comments upon the facts that watches bearing the "Bulova" name which were purchased in Mexico were brought into the United States by the owners thereof and came to the attention of various watch dealers in the United States who sold watches supplied by Bulova Watch Company. No contention is made that these watches were imported into the United States to be sold in competition with watches offered for sale by Bulova Watch Company.

The undisputed evidence in this case shows, and the uncontested findings of the Trial Court are, that the Defendant Steele has engaged in the business of selling watches bearing the "Bulova" name "solely in the Republic of Mexico from his sole and only place of business located in Mexico City", and that Steele "does not compete in the sale of watches in the United States or in any territory subject to its jurisdiction." (R. 238). The fact that certain owners of watches who have purchased them in Mexico bring them into the United States does not create a cause of action against Sidney Steele, nor does it constitute a wrong of which Bulova Watch Company can complain. Such collateral facts do not bear upon the question in this case as to the right of an American court to cancel the registered Mexican trade-mark belonging to Steele and his right to use the name on watches sold solely in the internal commerce of Mexico.

The majority opinion of the Court of Appeals also comments upon the purchase by Steele of unbranded and unmarked watch cases and dials in the United States and the importation of the same into Mexico. The opinion infers that these purchases constitute a wrong which may be complained of by Bulova Watch Company and for some unexplained reason violate the Lanham Trade-Mark Act and confer power on the courts of the United States to enjoin Steele's use of the registered trade-mark in Mexico.

Bulova Watch Company did not complain in its complaint in the Trial Court and cannot complain of the purchase by Steele or anyone else of unbranded watch dials and watch cases from American manufacturers and jobbers. Such action infringes no right of Bulova Watch Company and violates no duty owed by Steele to the Watch Company, or anyone else. The relief which Bulova Watch Company seeks in this case is the cancellation and nullification by injunction of the Mexican Trade-mark under which Steele places the "Bulova" name on watches at his place of business in Mexico City.

In *Dowagiac Manufacturing Company v. Minnesota Moline Plow Co.*, 235 U. S. 641, 59 L. Ed. 398, this Court held that a sale in Canada of grain "drills" or planters covered by a United States patent did not constitute an infringement of the patent, holding that the place of sale and not the place of origin of the product was determinative of the question as to the application of the foreign law. In its opinion this Court said:

> "Some of the drills, about 261, sold by the defendants, were sold in Canada, no part of the transaction occurring within the United States, and as to them there could be no recovery of either profits or damages. The right conferred by a patent under our law is confined to the United States and its territories (Rev. Stat. Sec. 4888, Comp. Stat. 1913,

Sec. 9428), and infrigement of this right cannot be predicated of acts wholly done in a foreign country. See United Dictionary Co. v. G. & C. Merriam Co. 208 U. S. 260, 265, 52 L. Ed. 478, 480, 28 Sup. Ct. Rep. 290. The case of Gould's Mfg. Co. v. Cowing, 105 U. S. 253, L. Ed. 987, is cited as holding otherwise, but is not in point. There the defendant made the infringing articles in the United States. Here, while they were made by the defendants. The latter's infringement consisted only in selling the drills after they passed out of the makers' hands. The place of sale is therefore of controlling importance here."

What Bulova Watch Company seeks to enjoin Steele from doing is the placing of the word "Bulova" on the watches in the Republic of Mexico. No injunction is sought in this case against his purchasing unbranded watch cases and watch dials in the United States. The purchase of unmarked watch dials and watch cases in the United States does not violate any of Bulova Watch Company's legal rights and it therefore forms no basis for granting it any relief against Steele.

The record in this case shows that Bulova Watch Company took no action with reference to Mexican National Trade-Mark No. 33602 for approximately 13 years after it was granted to Sidney Steele and during such period acquiesced in the use of the name by him in Mexico. The record shows that Bulova Watch Company commenced its first action to set aside the trade-mark in February 1946 and was subsequently defeated in an attempt to nullify the trade-mark in an action affirmed by the Supreme Court of Mexico. Under these facts, the Watch Company's remedy, if any, is in the courts of Mexico and under Mexican law — not under the Lanham Trade-Mark Act and in the courts of the United States.

As stated by this court in *Slater v. Mexican National Railway Company*, 194 U. S. 120, 48 L.ed. 900:

> "The case is not one demanding extreme measures, like those where a tort is committed in an uncivilized country. The defendant always can be found in Mexico, on the other side of the river, and it is to be presumed that the courts there are open to the plaintiffs."

The Bulova Watch Company apparently desires to enter into competition with Steele and others in Mexico. We submit that it should do so under Mexican law as applied by the Mexican courts and administrative agencies.

CONCLUSION

For the reasons stated, it is respectfully submitted that the judgment of the Court of Appeals should be reversed and the judgment of the Trial Court affirmed.

Respectfully submitted,

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IN THE

Supreme Court of the United States

No. ~~725~~ 38 OCTOBER TERM—1952

SIDNEY STEELE, *et al.*,

Petitioners,

vs.

BULOVA WATCH COMPANY, INC.,

Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR FIFTH CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

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IN THE

Supreme Court of the United States

No. 725 OCTOBER TERM—1951

SIDNEY STEELE, *et al.*,
Petitioners,

vs.

BULOVA WATCH COMPANY, INC.,
Respondent.

ON PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR FIFTH CIRCUIT

BRIEF FOR THE RESPONDENT IN OPPOSITION

The Respondent presents this brief in opposition to the Petitioners' application for writ of certiorari herein.

Opinions Below

The Findings of Fact, Conclusions of Law, the judgment and the opinions are printed in the Record (R. 347-50; 560-75).

Question Presented

The single question in this case is whether the District Court had jurisdiction as found by the Court of Appeals.

Statute Involved

The Lanham Trade-mark Act, Act of July 5, 1946, 60 Stat. 427, incorporated in 15 U. S. C. Secs. 1051-1127.

Statement

The action was brought in the District Court of the United States for the Western District of Texas, San Antonio Division, by Bulova Watch Company, Inc., a corporation organized and existing under the Laws of the State of New York against Sidney Steele and Sofia Steele (also known as Sophie Steele), citizens of the United States residing in the City of San Antonio, Texas, who conduct a watch business in Mexico where they assemble watches with parts brought in from the United States and Switzerland. The Steeles then stamp and sell those watches, using the name "Bulova" and selling them as Bulova watches. The other defendant S. Steele y Cia., S.A., is a Mexican corporation which petitioners contend no longer exists but which was owned by them for the operation of the said business. The Bulova Watch Co., Inc., of New York, sought to restrain petitioners from using the name "Bulova" anywhere in the world. Petitioners Steele contend that their use of the name is legal in Mexico.

The District Court dismissed the action upon the ground that the Court lacked jurisdiction. All the testimony was not yet in, and both plaintiffs and defendants stated they had additional testimony to offer (R. 334, 346). The trial held in the District Court developed the following:

Bulova Watch Co., Inc., its predecessors and the Bulova family have been using their surname "Bulova" to identify their watches since 1875 (R. 64). Since 1927, the name "Bulova" as applied to watches, has been registered under the various Trade Mark statutes of the United States, including the Lanham Act of 1946 (R. 5, 90, 91, 92).

The Bulova Watch Co. has built up a watch business to the point that it is now the world's largest single manufacturer of watches and its yearly sales exceed $50,000,000 (R. 86). It spends many millions of dollars each year in the United States (R. 71, 107) and abroad (R. 75) including Mexico (R. 110), to advertise its products and to make its name and reputation known to the public. Such advertising was broadcast through radio stations (R. 73, 74, 79, 82, 106, 109) printed in American publications and magazines which had wide circulation in Mexico, and in the Spanish language-Latin American editions of Reader's Digest and other publications (R. 110, 111, 112, 115). The name "Bulova" has been displayed and announced on approximately 300 radio stations (R. 109), and in a great number of newspapers, periodicals, magazines, and car cards (R. 110), as well as displays provided by respondent for shop dealers in many thousands of shops in the United States (R. 84), with "practically every field" covered (R. 110), in the United States and Mexico. From 1929 until the present time, respondent advertised its products from radio stations close to the United States-Mexico Border and over Mexican radio stations (R. 73, 74, 109, 110). Great sums of money were spent on newspaper advertising in border towns, including Spanish language newspapers on both sides of the Border (R. 110, 111, 115, 116).

Petitioner Steele testified that he started in the jewelry and watch business in Texas in 1922 (R. 123); that he first learned of the name "Bulova," as applied to watches, while employed in 1926 in the watch business (R. 125); that he later engaged in his own business; that he began going into Mexico to engage in the watch business (R. 123) that neither he nor any member of his family was ever named Bulova (R. 130); that in 1933 he searched the records of Mexico and found that the name "Bulova" was not registered in Mexico (R. 128); and that, without any permission from any member of the Bulova family or the

Bulova Watch Co. he appropriated and registered the name for himself and his firm S. Steele y Cia., S.A., which was owned by him and his wife; that thereafter he dissolved the corporation and had the trade mark assigned to himself (R. 16, 162). Under Texas law, that asset, created after coverture, is owned by him and his wife as community property.

Respondent, in the normal course of its business, received numerous complaints concerning watches which purported to be manufactured by Respondent but which, in fact, were spurious and not manufactured by the Respondent (R. 116, 117). Respondent brought this action to restrain petitioners from indulging in unfair competition by and from using the name "Bulova." The Summons and Complaint, issued out of the United States District Court for the Western District of Texas, Southern Division, were personally served upon Sidney Steele and his wife in San Antonio, Texas, by the United States Marshal.

Upon presentation of the matter to the District Court below, and before both sides had closed their case, the Court entered an order that it lacked jurisdiction to hear the matter, made certain findings of fact and conclusions of law and dismissed the complaint "with prejudice."

On pages 4 to 6 of the petition for the writ of certiorari the petitioner sets forth the four findings of fact, and the three conclusions of law made by the District Court and states that it was based on undisputed evidence. An example of the inaccuracy of that statement is an examination of the language in the Court's Finding No. 3 (R. 361) where the Court says

> "The defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for some watch cases and watch dials which are procured from manufacturers or jobbers in the United States."

Actually, petitioner Steele testified (R. 152) "* * * a *majority* of them (watches) have something of an American make on them. * * *" (Italic supplied) and at R. 168 he testified that he purchased *all* his dials from the Berna Swiss Company (whose offices are in the United States according to Sidney Steele's testimony at R. 165). He testified that he bought his watch cases (R. 167) from Elite Watch Company, 150 Varick Street, New York, Acme Watch Case Company "260 or 270 Lafayette Street, New York," and "many of them were bought by (*sic*) Morris Hoffman (R. 167) of 580 Fifth Avenue, N. Y. (R. 165).

The plaintiff in the District Court, the respondent herein, submitted proposed findings (R. 350) which were denied. Respondent herein, the plaintiff in the District Court, excepted to the findings of fact of the Court in Assignment Nos. 4, 5, 6, 7, 8, 14, 15, 16, 17, 22, 28, 31 and the conclusions of law were excepted to in assignment Nos. 9, 10, 11, 12, 18, 19, 20, 21, 23, 24, 25, 26, 27 and 28 (R. 371 to 378 incl.).

ARGUMENT

The Court of Appeals properly found that the District Court had jurisdiction.

Respondent at the outset wants to point out that the petitioner avoids the real issues. The District Court did not hold that it had no power to nullify a Mexican trademark. Respondent did not and does not seek a decree of nullification, but seeks to restrain the defendant Steele, the petitioner herein, from unfair competition and from improper use of the respondent's property: the name "Bulova." It was the position of the District Court that it lacked jurisdiction to restrain the petitioner from such unfair competition. This was the decision that the respondent appealed and which was reversed by the United States Court of Appeals.

I

Petitioner in support of the first question which he claims is presented cites the decision in *American Banana Co.* v. *United Fruit Co.*, 213 U. S. 347. This is adequately answered by *Branch* v. *F. T. C.*, 141 F. (2d) 31.

In the *Branch* case (*supra*), the Petitioner therein operated a correspondence school in Illinois, but obtained some of his students from Latin American countries. The petitioner contended that the fact that the acts complained of were committed outside the territorial jurisdiction of the United States, the Courts of the United States had no jurisdiction over the acts, relying on *American Banana Co.* v. *United Fruit Co.* (*supra*).

Mr. Justice MINTON, then on the Court of Appeals for the Seventh Circuit, stated:

> "Finally it is contended by the petitioner that the Commission has no jurisdiction because the acts complained of, that is, the circulating of the misrepresentations in the forms of letters, catalogs and newspaper advertisements, took place in Latin American countries. It is true that much of the objectionable activity occurred in Latin America; however, it was conceived, initiated, concocted and launched on its way in the United States. That the persons deceived were all in Latin America is of no consequence. It is the location of the petitioner's competitors which counts.
>
> "The Federal Trade Commission does not assume to protect the petitioner's customers in Latin America. It seeks to protect petitioner's competitors from the unfair practices, begun in the United States and consummated in Latin America. It seeks to protect foreign commerce. If that commerce was being defiled by a resident citizen of the United States to the disadvantage of other competing citizens of the United States, the United States had a

> right to protect such commerce from defilement, even though the customer who was the victim of such defilement and a non-resident may look to his sovereign for protection. The right of the United States to control the conduct of its citizens in foreign countries in respect to matters which a sovereign ordinarily governs within its own territorial jurisdiction has been recognized * * * (Cases Cited) * * * Congress has the power to prevent unfair trade practices in foreign commerce by citizens of the United States although some of the acts are done outside the territorial limits of the United States."

And in the case of *Blackmer* v. *U. S.* (284 U. S. 421), the United States Supreme Court said:

> "With respect to such an exercise of authority, there is no question of international law, but solely of the purport of the municipal duties of the citizen in relation to his own government. While the legislation of the Congress, unless the contrary intent appears, is construed to apply within the territorial jurisdiction of the United States, the question of its application, insofar as citizens of the United States in foreign countries are concerned, is one of construction, not of legislative power."

II

The petitioner in the second question which he claims is presented cites the case of *Schooner Exchange* v. *M'Faddon*, 11 U. S. 116. An examination of that case shows that the sole question involved was whether the Court could have jurisdiction of a public armed vessel of Napoleon, Emperor of the French. The question in the case at bar does not involve any public vessel. The respondent is not seeking to compel any official of the Republic of Mexico to do anything. The District Court had personal jurisdiction of the petitioners Steele, two of the defendants. Plain-

tiff simply seeks to compel them to refrain from their acts of unfair competition and to compel them to undo the things accomplished through their fraudulent acts. It is no different than if in an action for specific performance they were being compelled to execute and deliver a deed for land located in Mexico. The principle is the same.

We respectfully refer the Court to the case of *Durham* v. *Scrivener* (259 S. W. 606), where Justice JENKINS of the Court of Civil Appeals of Texas said (affirmed by Texas Supreme Court, 270 S. W. 161):

> "The fact that land embraced in a deed sought to be cancelled because of fraud, is in Oklahoma, would not prevent a Texas court from cancelling that deed where the Texas court acquired jurisdiction of the person against whom the relief is sought."

In the leading Texas Supreme Court case of *Moton* v. *Hull*, 13 S. W. 849, the problem was whether a Texas Court could restrain a Texas citizen from proceeding in another state by Writ of Garnishment to seize wages for personal services. Such seizure of wages, by way of garnishment, is especially forbidden under Texas law, although garnishment was legal where the garnishment suit was brought. Said Texas Justice HOBBY:

> "The correct rule upon this subject we understand to be that if the averments of a Petition for injunction are of such a character as to make it the duty of the Court to restrain or enjoin the party from instituting or conducting like proceedings in a Court of this State, it would be a proper case for restraining him by a similar process from prosecuting such suit in the courts of another state."

The Court goes on to cite the cases of *Dehon* v. *Foster* (4 Allen 550), and *Snook* v. *Snetzer* (25 Ohio State 516), and then says:

> "It is * * * clear and indisputable that a Court in Chancery upon a statement of a proper case, possesses the power to restrain persons within its jurisdiction from prosecuting suits either in its own courts or in other states or foreign countries."

This power or authority is exercised upon the ground of the right of the state to compel its citizens to respect its laws beyond its territorial limits. Story, Eq. Jur. 899:

> "Although the courts of one country have no authority to stay proceedings in the courts of another, they have undoubted authority to control all persons and things within their own territorial limits. When, therefore, both parties to a suit in a foreign country are resident within the territorial limits of another country, the courts of equity in the latter may act *in personam* upon those parties and direct them by injunction to proceed no further in such suit."

Justice HOBBY went on to say:

> "The exercise of this power does not proceed upon any claim of right to interfere with or in any manner control or stay the proceedings in the courts of another state but upon the ground that the person to whom the restraining process is directed is residing within the court's jurisdiction and that he is within the power of the court issuing such process." (*Keyser* v. *Rice*, 47 Md. 203, 213.)

The principles enunciated in *Moton* v. *Hull* have been consistently followed in Texas and in other courts. They are based upon the rules deduced from the old English case of *Penn* v. *Lord Baltimore* (1 Ves. Sen. 444), wherein Lord HARDWICKE recognized the principle that equity acts primarily *in personam* and that while a person against whom relief is sought is within the jurisdiction, it may make a decree upon equities subsisting between the par-

ties, respecting property situate out of the jurisdiction. Chief Justice FULLER, in the case of *Cole* v. *Cunningham* (133 U. S. 107), quotes *Massie* v. *Watts* (6 Cranch 148) and *Pennoyer* v. *Neff* (95 U. S. 714), which drew their substance from the case of *Penn* v. *Lord Baltimore* (*supra*). Justice FULLER goes on to quote STORY (as quoted above) and he says:

> "It is now held that whenever the parties are resident within the country, the courts of that country have full authority to act upon them personally with respect to suits in a foreign country, as the ends of justice may require, and with that in view, to order them to take or to omit to take any steps or proceedings in another court of justice, whether in the same country or in any foreign country."

Chief Justice FULLER goes on to quote Mr. Justice SWAYNE in the case of *Phelps* v. *McDonald* (99 U. S. 298, 308):

> "Where the necessary parties are before a court of equity, it is immaterial that the *res* of the controversy, whether it be real or personal property, is beyond the jurisdiction of the tribunal."

And he concludes:

> "Such is undoubtedly the result of the clear weight of authority and the rule has often been applied by the courts of domicile against the attempts of some of its citizens to defeat the operation of its laws to the wrong and injury of others."

These principles have been summarized in 28 Am. Jur., p. 391, par. 205, as follows:

> "The power of a court of equity to restrain actions in another state or country rests on the authority vested in them over persons within the limits of their jurisdiction, to enjoin them from doing inequitable acts to the wrong and injury of others,

and on the power of the state to compel its own citizens to respect its laws, even beyond its own territorial limits. The Court proceeds on the theory that as long as a citizen belongs to a state, he owes it obedience; and that, as between states, the state in which he is domiciled has jurisdiction over his person, and his personal relations to other citizens of the state."

In *Western Clock Manufacturing Company* v. *A. C. Smith*, New York Supreme Court, 2 T. M. Reports 522 (known as the "Big Ben" case), we find that the defendant, an American dealer, *residing in Mexico*, who registered trade-mark of "Big Ben" owned by plaintiff. Acting in equity, the Court restrained the defendant from the use of such name and perpetually enjoined him from claiming to be the owner of the trademark words, "Big Ben," and from claiming any rights by virtue of the registration of such name in the Republic of Mexico. He was further ordered by the Court to "forthwith assign and transfer by proper instrument in writing * * * all right and interest in and to the registration of the trademark words, 'Big Ben' * * * Or in the alternative * * * to forthwith execute and deliver to the plaintiff, Western Clock Manufacturing Company, a petition in proper form to the Director of the Bureau of Patents and Trademarks in the Republic of Mexico for the cancellation of the name of 'Big Ben' * * * or to execute such papers as are necessary to procure the cancellation of the trademark so registered in Mexico."

Respondent shows that the case against the petitioners, the Steeles, is a much stronger one in that in the *"Big Ben"* case the defendant was a resident of Mexico, while in the case at bar the petitioners are residents of the United States, procuring a part of the merchandise sold as Bulova watches through interstate and foreign commerce, originating in the United States.

III

The petitioner with respect to the third question which he claims is presented in this case relies on *Ingenohl* v. *Olsen & Co.*, 273 U. S. 541 and *Hanover Star Milling Co.* v. *Metcalf*, 240 U. S. 403.

Petitioner misapplies the doctrine in *Ingenohl* v. *Olsen*, *supra*.

In that case, the Alien Property Custodian transferred a trade-mark which he had seized here in the United States. The case merely held that the Alien Property Custodian could not convey the English rights to the trade-mark as well as the American rights, because Congress could not give him powers to seize property in English Hong-Kong. That is a far cry from saying that a United States Court cannot decree that an American citizen (Steele) who, by some means, obtained registration in a foreign country, of an American trademark belonging to another American (Bulova Watch Co.) shall not use that trade-mark because he (Steele) is in violation of United States law when he uses such trademark.

In the *Hanover Star Milling Co.* v. *Metcalf*, *supra*, petitioner gives a quotation from Mr. Justice Holmes which is from a concurring opinion by Mr. Justice Holmes and was not the opinion of the Court.

Mr. Justice Holmes continued to state immediately after the quotation cited by petitioner the following:

> "The question then is what is the common law of Alabama in cases like these. It appears to me that if a mark previously unknown in that State has been used and given a reputation there, the State well may say that those who have spent their money innocently in giving it its local value are not to be defeated by proof that others have used the mark earlier in another jurisdiction more or less remote."

This language very significantly applies to the case at bar. The evidence clearly shows that petitioner's use of the name "Bulova" was not innocent. It was not a name that could be conceived by two persons or concerns independent of each other. Steele knew of the Bulova Watch Company of New York, he knew of Bulova watches, and his testimony is distinct that he registered it in Mexico because he looked it up and found that the Bulova mark had not yet been registered in Mexico. A more flagrant case of an appropriation of another's mark cannot be found anywhere. Nor does anything in Mr. Justice HOLMES' opinion vitiate the contention that a Court has a right to protect against such fraud.

In the same case Mr. Justice PITNEY who wrote the opinion for the Court stated:

> "In fact, the common law of trade marks is but a part of the broader law of unfair competition. (Citing cases.)"

And on page 415 he goes on to say:

> "Expressions are found in many of the cases to the effect that the exclusive right to the use of a trademark is founded on priority of appropriation. Thus, in Canal Co. v. Clark, 13 Wall. 311, 323, reference is made to 'the first appropriator'; in McLean v. Fleming, 96 U. S. 245, 251, to 'the person who first adopted the stamp'; in Manufacturing Co. v. Trainer, 101 U. S. 51, 53, the expression is 'any symbol or device, not previously appropriated which will distinguish,' etc. But these expressions are to be understood in their application to the facts of the cases decided. In the ordinary case of parties competing under the same mark in the same market, it is correct to say that prior appropriation settles the question. But where two parties independently are employing the same marks upon goods of the same class, but in separate markets wholly remote the one from the other, the ques-

> tion of prior appropriation is legally insignificant, unless at least it appear that the second adopter has selected the mark with some design inimical to the interests of the first user such as to take the benefit of the reputation of his goods, to forestall the extension of his trade, or the like."

Our contentions can best be summarized by taking out of the context of the above opinion (at page 418 of the opinion) the following language:

> "It was such a mark as could not be accidentally hit upon."

The aptness of this quotation is obvious because "Bulova" is the family name of the founder of the respondent, and in any event Steele testified he knew the name "Bulova" was attached to watches in the United States before he registered the name in Mexico.

In this third question petitioners raise the question as to whether the fact that Steele is an American citizen and was personally served with process in the district gave the trial Court jurisdiction. Respondent's contention as has been stated once before in this brief is that an American citizen whether native or naturalized is responsible not only for acts committed in the United States and in its territories but also anywhere in the world. He cannot avoid the obligations of his citizenship and his being subject to the laws of the United States.

In the days when a native born United States citizen could not divest himself of citizenship, the Court held him to be subject to the laws of this country. This is clearly shown in case No. 17,708 known as the *Williams'* case decided in the year 1790 in the Circuit Court of Connecticut. An extract from the digest summarizes the decision of the Court accurately.

> "A native American who has become naturalized under the laws of France still remains subject to indictment in the United States Courts, for serving on a French privateer engaged in committing hostilities against a power at peace with the United States."

IV

In discussing the fourth question which he claims is presented, petitioner cites the case of *Dowagiac Manufacturing Co.* v. *Minnesota Moline Plow Co.*, 235 U. S. 641, and sets forth a quotation therefrom. Further on in that opinion the Court said at page 644:

> "At the outset it should be observed that, while the defendants were infringers, and bound to respond as such to the plaintiff, their infringement was not wanton or wilful. The masters and the courts below expressly so found and the evidence sustained the finding. The defendants, therefore, were not in the situation of the infringing manufacturer in Brennan & Co. v. Dowagiac Co., 162 Fed. Rep. 472, of whom the Circuit Court of Appeals for the Sixth Circuit said (p. 476): 'It has made and sold these infringing drills with a purpose to imitate the patentee's construction."

And later the Court said:

> "* * * the patent was not for a new and operative grain drill, but only for particular improvements in a type of grain-drill then in use and well known."

From these quotations from the same case it can be seen that the rule seems to be different when it is tinged with fraud.

It needs no citation of authority that the rule in patent cases is different from the rule in copyright cases and both patent cases and copyright cases are different than trademark and unfair competition cases.

V

In his point V petitioner cites cases in support of the contention that he had raised below that the matter was *res adjudicata* by reason of certain claimed decisions in Mexico. As respondent has pointed out before, this question has no application to the instant case. The decision of the Court of Appeals was solely on the question of jurisdiction. The decision of the District Court was, as announced during the trial, only upon the ground that it did not have jurisdiction. The Court said, "I have reached the conclusion that I don't have jurisdiction in this case" (R. 334).

Furthermore, the case was not completed and the Court was informed that the respondent herein, the plaintiff in the District Court, had a Mexican Lawyer expert witness in Court ready to testify as to the word "amparo" which is the crux of the Mexican proceeding (R. 334). The word "amparo" was the subject of much dispute and the testimony of that expert would have shown that the proceeding in Mexico was not *res adjudicata*.

Respondent does not wish to be pushed into the error of adopting the framing of the issues which petitioner tries to force on respondent and your Honorable Court. The issues are not factual but legal. Petitioner tries to inject into the case questions of laches, *res adjudicata* and justification. None of these issues have any place in this case.

Respondent reiterates that the sole question that was decided by the District Court was its "lack of jurisdiction". Laches was not part of the plaintiff's case since it is a matter which must be raised by the defense. The defendant's case was incomplete and plaintiff's rebuttal had not been put in so that whether or not there was laches herein was as yet undetermined by the proof before the

Court. This was clearly recognized by the Court of Appeals and its reversal of the District Court was based upon its conclusion that the Court had jurisdiction and, therefore, committed error in dismissing the complaint.

VI

In Point VI the petitioner claims that the Court of Appeals misconstrued the Lanham Trademark Act. This is clearly answered by the following quotations from the majority opinion of the Court of Appeals below.

On page 11 the court said:

> "The Lanham Act prohibits importation into the United States of labelled or branded merchandise, 'which shall copy or simulate the name of any domestic manufacture or manufacturer, or trader.'
>
> "That section is not effective, however, to prevent many Americans who visit Mexico from purchasing spurious Bulovas in Mexico and bringing them back across the border into the United States with a resultant substantial effect on foreign commerce and with resultant damage in the United States to the reputation and good will of the Bulova Watch Company."

and on page 10 the Court said

> "Steele's conduct involved the purchase of watch cases and dials in the United States. It not only had a substantial effect on foreign commerce, but it resulted in injury to the Bulova Watch Company within the borders of the United States."

The power of the Court to prevent the petitioner over whom it had personal jurisdiction from so injuring the respondent's property within the United States is clearly set forth in the *Salton Sea* cases, 172 F. 792.

> "The Salton Sea cases, supra, involved an action brought to recover for damages resulting from the flooding and overflowing of Complainant's lands

(situated within the territorial limits of the United States) by Defendant's diversion of water from the Colorado River (by dams erected in Mexico) and for injunction restraining the continuance of such diversion of water. The Plaintiff was the New Liverpool Salt Co., a California corporation located on the Colorado River, which did not flow naturally on or near the Plaintiff's land. The defendant was the California Development Co., a New Jersey Corporation, which diverted the waters of the Colorado River in such a way as to cause the river to flood plaintiff's land. The defense advanced by the Defendant was that the water was diverted in Mexico by a Mexican company. The Court analyzed the testimony and developed the fact that the Mexican company, which actually caused the diversion, was controlled by the Defendant New Jersey corporation, which was within the jurisdiction of the Court. The Court quoted High on Injunctions (4th Edition, Section 669):

> " 'Where one resorts to a Court of Equity for one purpose, his case will be retained until the entire matter is disposed of upon the principle that the Court having jurisdiction of the cause for one purpose will retain it to give general and complete relief, thereby preventing a multiplicity of suits.' "

Then the Court went on to say that:

"The California Development Co. was beyond question in control of the entire work of diverting the water from the river for this irrigation system. * * * The Mexican company, if it acted at all, was a mere formal instrument or agent, acting for and under the direction of the California Development Co. * * * It is further objected that the Court had no jurisdiction to decree an injunction in effect abating a nuisance caused by the construction of intakes in the Republic of Mexico and it is claimed that there is a rule supporting this objection, to the

> effect that a court of equity can never compel a Defendant to do anything which is not capable of being physically done within the territorial jurisdiction of the Court."

The Court explained that it had jurisdiction and quoted from *Rickey Land & Cattle Co.* v. *Miller and Lux* (152 F. 11):

> "That this Court has jurisdiction over the person of the Defendant is unquestioned. It can reach him by injunction and punish him for contempt if he violates it."

This doctrine had its foundation in the equity courts of England at an earlier day (*Penn.* v. *Lord Baltimore, supra*) where Lord Hardwicke said:

> "As to the Court's not enforcing the execution of their judgment, if they could not at all, I agree it would be in vain to make a decree, in rem in the present case. But that is not an objection against making a decree in this Court, as a Court of Equity, is in personam. * * * In the case of Lord Anglesey, in land lying in Ireland, I decreed for distinguishing and settling the parts of the estate, though impossible to enforce that decree in rem, but the party being in England I could enforce it by process of contempt in personam and sequestration, which is the proper jurisdiction of this Court."

In the *Salton Sea* case, the Court said that the title to the land was not in litigation nor was the right of the Complainant to dig and remove the soil therefrom in controversy. The sole question was the right of the Complainant to have the aid of a Court of Equity to protect his estate from destruction by acts done by the Defendant outside the jurisdiction of the Court.

An analogy can be drawn to our case. The Bulova Watch Co. has built a substantial business in the United States and all over the world. It extensively advertises its product. It is well known throughout the world and

has created a tanglible property value in its good will. The petitioner, Sidney Steele, admits that he merely stamps the name "Bulova" on his Steele watches but in the same style and manner in which the Respondent stamps its watches (R. 166). Steele himself testified that he did practically no advertising of the name "Bulova" (R. 168, 174) and that there was no special watch which was a Steele "Bulova" but that he merely stamped the name "Bulova" or "Sidney" or "Erma" on any watch (R. 150, 153, 176), according to whether a customer sought one or the other. One of the witnesses for respondent testified that when he complained that the price Steele was asking for the watch was too much, Steele replied that it was not too much for a Bulova, a very excellent watch (R. 234). Obviously, his statement to the witness was made with the intention of leading the customer, whose testimony was given in Court, to believe that he was buying one of the watches advertised by the Bulova Watch Company of New York, the respondent herein. From Steele's own statements, it can be seen that all of his actions were conceived in fraud and carried out fraudulently with the intent to deceive the public into believing that the watches sold by petitioners were those advertised by the respondent and with the intent to trespass upon respondent's property rights in its own goodwill.

CONCLUSION

It is respectfully submitted that the petition should be denied.

Respectfully submitted,

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October Term, 1952

No. 38

SIDNEY STEELE, ET AL., *Petitioners*

v.

BULOVA WATCH COMPANY, INC., *Respondent*

On Writ of Certiorari to the United States Court of Appeals For the Fifth Circuit.

BRIEF FOR THE RESPONDENT

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Supreme Court of the United States

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No. 38

SIDNEY STEELE, ET AL., *Petitioners*

v.

BULOVA WATCH COMPANY, INC., *Respondent*

On Writ of Certiorari to the United States Court of Appeals For the Fifth Circuit.

BRIEF FOR THE RESPONDENT

OPINIONS BELOW

The opinion of the Court of Appeals for the Fifth Circuit is reported at 194 F. (2d) 567, and appears in the Record at page 389.

The findings of fact, conclusions of law, and judgment of the District Court for the Western District of Texas appear in the Record at pages 247 through 249.[1]

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[1] In this connection, note should be made of the fact that petitioners, in their brief in this case, are in error in stating that the findings of fact appear in the Record at pages 238-240. The material that appears on those pages consists of the draft of findings of fact, as prepared by the petitioners. The Court itself revised the proposed findings, as is shown by the Record at pages 247 through 249.

QUESTION PRESENTED

The sole question presented is whether, under the facts of this case the Court of Appeals correctly concluded that the District Court has jurisdiction over the case at bar.

STATUTES INVOLVED

Jurisdiction of the District Court rests on the diversity of citizenship section of the new Judicial Code, 28 U.S.C. sec. 1332. Jurisdiction may also be based upon the section of the Code conferring jurisdiction on the District Courts in cases under the trade-mark laws of the United States, 28 U.S.C. sec. 1338. The federal trade-mark law relevant to this case is the Lanham Trade-Mark Act of 1946, 60 Stat. 427, 15 U.S.C. secs. 1051, et seq.

In addition to general equitable principles, authority in the District Court to grant injunctive relief to protect registered trade-marks from infringement (as prayed by respondent in this case) is found in Section 34 of the Lanham Act, 60 Stat. 439, 15 U.S.C. sec. 1116. More specifically, the Lanham Act provides that the protection it affords to registered trade-marks includes protection against the use of infringing marks in "commerce" (Sec. 32, 60 Stat. 437, 15 U.S.C. sec. 1114), and "commerce" is defined as "all commerce which may lawfully be regulated by Congress". Sec. 45, 60 Stat. 443, 15 U.S.C. sec. 1127.

The pertinent provisions of these statutes are reproduced in Appendix I hereto.

STATEMENT

On February 21, 1952, the United States Court of Appeals for the Fifth Circuit held that the District Court for the Western District of Texas had committed error in concluding that it did not have jurisdiction over the case at bar. The Court of Appeals accordingly reversed the decision of the District Court, and ordered that there be "further proceedings not inconsistent with this

opinion", 194 F. (2d) 567, 572. (R. 389, 399). On June 2, 1952, this Court granted certiorari. (R. 405).

The background facts of the case can be summarized as follows: This action was brought by respondent, Bulova Watch Company, Inc., a New York corporation, against petitioners, Sidney Steele and his wife, Sofia Steele, citizens of the United States residing in the City of San Antonio, Texas. (R. 1-8). Sidney Steele and Sofia Steele conduct a watch business in Mexico where they assemble watches from parts brought in from the United States and Switzerland. The Steeles then stamp many of these watches with the name "Bulova", and sell them as Bulova watches. (R. 1-8, 106, 108).

Bulova Watch Company, in its complaint in this action, requested that the court restrain the Steeles from using the name "Bulova", and also requested that damages be awarded and that the court grant such other relief as might be just and equitable. (R. 7-8).

Bulova Watch Company, Inc., its predecessors and the Bulova family, have been using the family name "Bulova" to identify their watches since 1875. (R. 41). In 1875 Mr. Joseph Bulova began selling watches under his family name, at his place of business in New York. The Chairman of the Board of the Bulova Watch Company at the present time is Mr. Arde Bulova, the son of the founder of the company. (R. 1-8, 41). Since 1927 the name "Bulova" as applied to watches has been registered under various trade-mark statutes of the United States, including the Lanham Trade-Mark Act of 1946. (R. 3, 60, 61, 62). Bulova Watch Company, Inc., has built up a watch business that makes it one of the leading watch companies of the world. Its yearly sales exceed $50,000,000. (R. 57, 58). It spends many millions of dollars each year in the United States and abroad, including Mexico, to advertise its products and to make its name and reputation known to the public. (R. 46, 47, 49, 50, 70, 71, 72, 73). Such advertising has for many years been broadcast through radio stations and printed

in American publications and magazines with wide circulation in Mexico, including the Spanish language editions of Readers Digest and other publications. (R. 48, 49, 52, 53, 54, 69, 70, 71, 72, 73, 74). The name "Bulova" has been displayed and announced on approximately 300 radio stations, and in a great number of newspapers, periodicals, magazines and car cards, as well as on displays provided by respondent for many thousands of retail stores in the United States and Mexico. (R. 55, 56, 72, 73). Since 1929, respondent has advertised its product in both Spanish and English, from radio stations close to the United States-Mexico border and over Mexican radio stations. (R. 48, 49, 71-73). Great sums of money have been spent on newspaper advertising in towns along the United States-Mexico border, including advertisements in Spanish language newspapers on both sides of the border. (R. 72-74, 76, 77).

Petitioner Steele, called as a witness by the Bulova Watch Company, testified that he started in the watch business in Texas in 1922 (R. 82, 83, 160); that he first learned of the name "Bulova" as applied to watches while employed in the watch business in 1926 (R. 84); that he later engaged in his own watch business, and that he began going into Mexico to engage in the watch business (R. 82, 83); that neither he nor any member of his family was ever named Bulova (R. 88); that in 1933 he searched the records of Mexico and found that the name "Bulova" was not registered in Mexico (R. 86); and that, without any permission from any member of the Bulova family or Bulova Watch Company, Inc., he appropriated and registered the Bulova name in Mexico. (R. 11, 114, 163).[2]

Sidney Steele further testified that since so registering the Bulova trade-mark in Mexico in 1933, he has been buy-

[2] As noted above, Sidney Steele and his wife, Sofia Steele, are and have been citizens of the United States and residents of Texas. Under Texas law, assets acquired by a husband after coverture are owned by the husband and wife as community property.

ing watch cases and dials in the United States, has been buying watch movements in Switzerland, has been shipping these various items to Mexico, and has been assembling watches in Mexico from the parts so obtained, stamping the name "Bulova" on many of these watches and selling them to customers in Mexico under the name of "Bulova". (R. 102, 106, 108).

Bulova Watch Company, Inc., in the normal course of its business, received numerous complaints concerning defective watches which purported to be manufactured by the Bulova Watch Company but which, in fact, were spurious and not so manufactured. (R. 4, 77, 78). Learning of the watch business conducted by Sidney Steele and of the watches sold by him in Mexico under the name of "Bulova", respondent, as has been set out above, brought this action to restrain petitioners from using the name "Bulova" and for damages and other relief as heretofore noted.

The summons and complaint in this action, issued out of the United States District Court for the Western District of Texas, were personally served upon Sidney Steele and his wife in San Antonio, Texas, by the United States Marshal. (R. 1-8, 392).

During trial of this matter by the District Court and before either side had completed its case, the court stated:

> "I have reached the conclusion that this Court does not have jurisdiction of this case, based on the facts that you have already introduced. That being my conclusion, I see no reason for going on with this proceeding." (R. 231).

In accordance with this announcement, the District Court made certain findings of fact and conclusions of law and dismissed the complaint "with prejudice". (R. 247-249).

In connection with these findings of fact and conclusions of law, note should be made of the fact that, in the formal findings of fact, the District Court stated as follows:

> "The defendant Steele procures all watch cases and watch dials used by him in his business in Mexico City from Switzerland except for some watch cases and watch dials which are procured from manufacturers or jobbers in the United States." (R. 247).[3]

In this same connection, note should also be made of the fact that the District Court expressly referred to litigation that was then pending in Mexico, looking to the nullification of Steele's Mexican trade-mark. On this aspect of the case, the District Court entered a finding of fact which reads in part as follows:

> "On December 5, 1933, there was granted . . . Mexican National Trade-mark No. 33602, *purporting to grant* the right to use the name 'Bulova' in the Republic of Mexico as a trade name for watches, and the Defendant Sidney Steele's *asserted right* to use said name is based on said Mexican trade-mark, which trade-mark has been the subject of litigation between the Plaintiff Bulova Watch Company, Inc., . . . in cases before the Mexican Courts in which the Defendant Sidney Steele was a party, and the Plaintiff has not *up to this time* been successful in such litigation." (Emphasis added). (R. 248).[4]

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[3] In his own testimony, in discussing the watches sold by him in Mexico, Steele confirmed the fact that "a majority of them have something of an American make on them". (R. 106).

[4] In this connection, it should be pointed out that only last month, on October 6, 1952, the Supreme Court of Mexico finally decided the issues that were being litigated in Mexico. In its decision, the Supreme Court of Mexico affirmed an administrative ruling that Sidney Steele had acted in bad faith in obtaining the Bulova trade-mark, and the Supreme Court of Mexico therefore affirmed an administrative ruling declaring Sidney Steele's Mexican trade-mark a nullity.

A certified copy of the October 6 decision of the Supreme Court of Mexico, attested by the President of that Court, the Clerk of the Court, and the United States Vice-Consul in Mexico City, has been filed with the Clerk of this Court. In addition to the filing of this certified copy of the opinion in Spanish, a printed translation into English accompanies this brief, as Appendix III.

Further in connection with the findings of fact, note should also be made of the fact that plaintiff in the District Court, respondent herein, submitted proposed findings which were denied. (R. 240). Respondent herein excepted to the findings of fact and the conclusions of law of the District Court. (R. 252-257).

The District Court, in the judgment which it entered in this matter, stated:

> "That all of the alleged acts of unfair competition by the use of the 'Bulova' name . . . were done and performed by the defendant, Sidney Steele, in connection with his business of assembling, marking and selling watches solely in the Republic of Mexico, and, therefore, the subject matter of this suit and the acts of the said Defendant are beyond the jurisdiction and control of the government and the law, both State and Federal, of the United States of America and of this Court." (R. 249).

The District Court went on to rule that "all relief prayed for by plaintiff is hereby denied and this cause is hereby dismissed with prejudice, and all costs herein are adjudged against plaintiff". (R. 249).

Bulova Watch Company appealed this decision to the Court of Appeals for the Fifth Circuit. As already noted above, after reviewing the record in this matter and after hearing argument, the Court of Appeals reversed the District Court. In its opinion, the court said:

> "Unquestionably, the Steeles themselves are within the jurisdiction of the court and subject to its process. Courts have often exercised the power of restraining persons within their jurisdiction from prosecuting suits in other states or foreign countries, or from taking such action there as would be contrary to the law of the forum." 194 F. (2d) 567, 569. (R. 389, 392-393).

And in the same connection the Court also said:

> "It would seem that in the Lanham Trade-Mark Act of 1946, the Congress intended to regulate interstate

and foreign commerce to the full extent of its constitutional powers." 194 F. (2d) 567, 571. (R. 389, 396).

After proceeding to review the precedents bearing on the case, and after reviewing the facts of the case, the Court of Appeals, as noted above, concluded that the District Court was in error in its ruling with respect to jurisdiction.

Based on the foregoing set of facts, the issue that is before this Court is the correctness of the ruling of the Court of Appeals in holding that the District Court has jurisdiction over the case at bar.[5]

SUMMARY OF ARGUMENT

The decision of the Court of Appeals is correct and should be affirmed, both for the reasons advanced by that court, and for the additional reasons discussed in the Argument herein.

In outline, respondent submits (1) that the United States, as a sovereign nation, has jurisdiction in this matter; (2) that the necessary jurisdiction is vested in the District Court; and (3) that such jurisdiction should properly be exercised in this case to grant the relief prayed for. Although the decision of this Court on point (1) above will

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[5] The opinion of the Circuit Court of Appeals was written by Judge Rives, for himself and for Judge Holmes. Judge Russell, who wrote a dissenting opinion, was apparently in agreement with Judges Rives and Holmes in their conclusion that Steele had committed acts of unfair competition. 194 F. (2d) 567, 572. (R. 389, 399). However, Judge Russell felt that he should not "adjudicate the propriety, validity and legal effect of the administrative and judicial determination of a sister Republic". 194 F. (2d) 567, 572. (R. 389, 399). Judge Russell also stated that he believed that the District Court had ruled properly on the issue of jurisdiction, "since the conduct complained of substantially related solely to acts done and trade carried on *under full authority of Mexican law*". (Emphasis added). 194 F. (2d) 567, 573. (R. 389, 401). Much of the reasoning on which Judge Russell based his dissent, therefore, is no longer applicable, in the light of the October 6 decision of the Supreme Court of Mexico. See p. 6, n. 4, above.

technically be sufficient to dispose of the case at this stage, respondent feels that the other two points may be considered to be so directly related to the first that they should be covered also in this brief.

1. The United States, as a sovereign nation, has jurisdiction in this matter. That is to say, the United States as sovereign has power to vest the district courts with jurisdiction to grant the relief prayed for by respondent—namely, injunctive relief and damages on account of the petitioners' acts of unfair competition and trade-mark infringement in pirating respondent's name "Bulova". The fact that many of these acts took place in Mexico, or that the relief sought may require or forbid action by petitioners in Mexico, is immaterial. For hundreds of years, courts of equity have asserted this jurisdiction of the sovereign under one or more of the several circumstances presented by the case at bar.

(a) The most compelling jurisdictional fact is that petitioners were personally before the District Court, which, by decree *in personam*, could grant the relief sought by respondent without impinging upon Mexican sovereignty in any respect. As a minimum, both the negative injunctive relief and the damages sought could clearly be enforced without the necessity of petitioners leaving the United States or of any acts being done in Mexico by petitioners. And even the affirmative relief requested (action by petitioners looking to the cancellation of petitioners' spurious Mexican trademark) could be accomplished without conflict with Mexican law or public policy. Under such circumstances, the sovereign traditionally has the power to restrain or order acts abroad on the part of persons subject to its territorial jurisdiction, based solely on such *in personam* jurisdiction.

Massie v. Watts, 6 Cranch 148 (1810).
New Jersey v. New York, 283 U.S. 473 (1931).
The Salton Sea Cases, 172 F. 792 (C.C.A. 9th, 1909), cert. den., 215 U.S. 603 (1909).

Accordingly, if only for the reason that petitioners here were personally before the District Court, its holding of lack of jurisdiction was erroneous. There are, however, at least three other elements in this case which, whether considered alone or together, would clearly confirm such jurisdiction. (See (b), (c) and (d) below.)

(b) Petitioners are citizens of the United States. Hence their conduct abroad would be subject to the jurisdiction of the United States even were petitioners themselves beyond its borders—which of course, in the case at bar, they are not. *Blackmer* v. *United States*, 284 U. S. 421 (1932). Citizenship thus provides a basis for enjoining acts of unfair competition abroad. See *Branch* v. *Federal Trade Commission*, 141 F. (2d) 31, 35 (C.C.A. 7th, 1944).

(c) Furthermore, petitioners' acts of unfair competition and trade-mark infringement in Mexico have had injurious effects within the United States. Not only does their marketing of spurious "Buleva" watches in Mexico necessarily reduce the quantity that respondent can produce in the United States and export to Mexico, but respondent's long-standing reputation and good will in the name "Bulova" are damaged when these watches are purchased by United States tourists and brought back to this country. Hence petitioners' acts are subject to the well known jurisdiction of the sovereign to attach legal consequences to acts which, although done outside, have effects within, the territory of the sovereign.

Strassheim v. Daily, 221 U.S. 280, 284, 285 (1911).
Thomsen v. Cayser, 243 U.S. 66, 88 (1917).
The Salton Sea Cases, *supra*.
Branch v. Federal Trade Commission, *supra*.

Modern examples of the assertion and exercise of jurisdiction on this basis are found in the Sherman Act

cases, particularly those involving international cartels. E.g., *Timken Roller Bearing Co.* v. *United States*, 341 U.S. 593 (1951); *United States* v. *National Lead Co.*, 332 U.S. 319 (1947).

(d) In addition, petitioners' acts of unfair competition and trade-mark infringement involve activities within the United States—i.e., purchasing in the United States and shipping therefrom unmarked dials and cases to Mexico. Therefore, the United States has jurisdiction to enjoin the unlawful scheme of unfair competition of which these United States activities are a part (see *United States* v. *Univis Lens Co.*, 316 U.S. 241, 254 (1942); *Vacuum Oil Co.* v. *Eagle Oil Co.*, 154 F. 867 (C.C. N.J. 1907), aff'd 162 F. 671 (C.C.A. 3d, 1908), cert. den., 214 U. S. 515 1909).

2. The District Court in this case has been vested by the sovereign, the United States, with the necessary jurisdiction. To be sure, the Court herein need not reach this question since the original judgment below held that the United States, as a sovereign, lacked the power so to vest its courts (R. 249). The reversal of such judgment by the Court of Appeals should, therefore, be affirmed on this ground alone for the reasons summarized above and set forth in Part 1 of the Argument. Nevertheless, respondent feels it is appropriate herein to show that the District Court has in fact been vested with the jurisdiction of the sovereign in this matter in at least two respects:—(a) through the general equity jurisdiction conferred on the district courts in diversity of citizenship cases, and (b) through the specific jurisdiction conferred by the Lanham Trade-Mark Act of 1946 (which, however, is not a necessary prerequisite to the assertion of jurisdiction in the case at bar):

(a) Clearly there is diversity of citizenship in this case, and the cases already cited are bountiful evidence of the fact that equity courts in the United States

are vested with jurisdiction *in personam* to direct or forbid the doing of acts abroad.

(b) Wholly apart from the general equity jurisdiction of the district courts, under the provisions of the Lanham Act the district courts are empowered to grant relief against the use of an infringing mark in commerce abroad which substantially affects the foreign commerce of the United States—the situation in the case at bar.

3. Under the circumstances here presented, the District Court should clearly exercise the jurisdiction so vested in it to grant the relief sought by respondent. Ample precedent for this is indicated in the various equity cases already cited, as well as by the decrees in the above mentioned antitrust cases.[6]

ARGUMENT

At the outset, respondent wants to point out that petitioners' brief does not deal with what respondent regards as the real issues. The District Court merely held that it had no jurisdiction, and contrary to petitioners' assertion, its decision was not based on the assumption that it lacked power to nullify a Mexican trade-mark. Respondent did not seek and does not seek, from the American courts, a decree of nullification. What respondent seeks is to restrain the defendants Steele, the petitioners herein, from unfair competition and from improper use of the respondent's property, the name "Bulova" to require petitioners to obtain cancellation of their fraudulent Mexican registra-

[6] For a case virtually on all fours with the present case, see *Morris* v. *Altstedter*, 93 Misc. 329, 156 N.Y.S. 1103 (1916), aff'd without opinion, 173 A. D. 932, 158 N.Y.S. 1123 (1916). See also *Western Clock Manufacturing Co.* v. *A. C. Smith*, 2 Trade-Mark Reporter 522 (N. Y. Sup. Ct. 1912) (Decree reproduced in Appendix II hereto).

tion of the name "Bulova"; plus the award of damages, and such other and further relief as might be just and equitable.

On the facts of the case as set out above, the District Court ruled that it lacked jurisdiction.[7] Respondent appealed from that decision. The United States Court of Appeals, in its decision below, reversed the District Court and upheld our contention that there is jurisdiction.

The various aspects of this case with respect to jurisdiction can be divided into three subsidiary headings:

The jurisdiction possessed by the United States as a sovereign nation,

The jurisdiction possessed by the District Court for the Western District of Texas, and

Whether or not the District Court should exercise the jurisdiction which it possesses and grant the relief requested.

In connection with these three subsidiary headings, it is submitted that the United States has jurisdiction, that the District Court has jurisdiction, and finally, that the District Court should exercise the jurisdiction which it possesses and should grant the relief requested.

It is important to note that the District Court concluded that both the District Court and the United States as a sovereign nation lacked jurisdiction,[8] and therefore its conclusion that the District Court lacked jurisdiction was presumably given no separate consideration.

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[7] In addition to the substantive grounds of error discussed below, it should be noted that the District Court was clearly in error in dismissing with prejudice (R. 249), since a dismissal "with prejudice" connotes a ruling on the merits, and is obviously inappropriate to a dismissal for lack of jurisdiction.

[8] See the judgment of the District Court (R. 249) quoted above on page 7.

The question of whether the District Court should exercise jurisdiction to grant the relief prayed for is clearly not before this Court, and indeed should not be considered at this stage by any court since the proceedings in the District Court were interrupted before all the evidence was in, by the decision to dismiss for want of jurisdiction. For reasons briefly summarized below, however, we submit that the jurisdiction should be exercised to grant the relief sought.

1. The United States, as a Sovereign Nation, Has Jurisdiction to Grant the Relief Prayed For.[9]

a. The United States Has Jurisdiction Since Petitioners Are Personally Subject to Its Territorial Jurisdiction.

Petitioners are personally in the United States, were personally served in San Antonio, and personally appeared. The relief sought can be granted by a decree *in personam*, and the United States, therefore, has the necessary jurisdiction. The jurisdiction of a sovereign to enter orders directed *in personam* to persons within its territory, even with relation to matters in the territory of another sovereign, is well established. The general rules are stated thus in the Restatement of the Conflict of Laws:

> "A state can exercise through its courts jurisdiction to forbid a party, who is subject to its jurisdiction, to do an act in another state." American Law Institute, *Restatement of Conflict of Laws*, Sec. 96. See also:

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[9] The relief sought is of several kinds (R. 6-8):

a negative injunction (to cease from certain actions, including acts of unfair competition and trade-mark infringement in Mexico);

a mandatory injunction (to take certain steps, including cancellation of the Mexican trade-mark);

an accounting for profits from unfair competition;

damages;

costs.

Beale, *Conflict of Laws*, Sec. 96.1. Pomeroy, *Equity Jurisprudence*, 5th ed., Sec. 1318.[10]

"A state can exercise jurisdiction through its courts to make a decree directing a party subject to the jurisdiction of the court to do an act in another state, provided such act is not contrary to the law of the state in which it is to be performed."[11] *Restatement, supra*, Sec. 94; see also *id.*, Sec. 95; Beale, *Conflict of Laws*, Secs. 96.1, 97.4, 97.14; Halsbury's Laws of England, 2d ed., *Conflict of Laws*, 270, 276.

This doctrine had its foundation in the equity courts of England at an earlier day as indicated in *Penn* v. *Lord*

[10] For example, injunctions have been granted against: the prosecution of a proceeding in another state, *Cole* v. *Cunningham*, 133 U. S. 107 (1890); *Philadelphia Co.* v. *Stimson*, 223 U. S. 605 (1912); *Moton* v. *Hull*, 77 Tex. 80 (1890); the commission of such torts as illegal blasting abroad (*Longley* v. *McGeoch*, 115 Md. 182 (1911); performance of a copyrighted play in another state *French* v. *Maguire*, 55 How. Pr. 47 (1878); diversion of foreign funds, *Buel* v. *Baltimore & O.S.W. Ry. Co.*, 24 Misc. 646, 53 N.Y.S. 749 (1898); and other torts outside the state *Western Union Tel. Co.* v. *Pittsburgh, C.,C., and S.L.Ry. Co.*, 137 F. 435 (C.C. N.D. Ill. 1905).

[11] In this connection the affirmative action which respondent has asked the District Court to order petitioner to take in Mexico is not contrary to Mexican law or public policy, so far as the record shows. The request is for an order directing respondent to obtain cancellation of his registered trade-mark in Mexico. There is nothing in the record which shows that such a direction would require action contrary to the law of Mexico. The jurisdiction of the United States to grant this relief under its own law would have existed, therefore, even if the Mexican courts had continued to hold that, under Mexican law, petitioner was the owner of a validly registered Mexican trade-mark covering the name "Bulova". As pointed out in respondent's statement above, p. 6, n. 4, however, the Supreme Court of Mexico has, since the action of this Court in granting certiorari, finally affirmed administrative action declaring petitioners' Mexican trade-mark to be a nullity on the ground that it was obtained in bad faith. (See certified copy of the judgment of the Mexican Supreme Court, and translation thereof in Appendix III to this brief, both filed herewith.)

Baltimore, 1 Ves. Sen. 444 (1750), where Lord Hardwicke said (at p. 455):

> "As to the court's not inforcing the execution of their judgment; if they could not at all, I agree, it would be in vain to make a decree; and that the court cannot inforce their own decree *in rem*, in the present case: but that is not an objection against making a decree in the cause; for the strict primary decree in this court, as a court of equity, is *in personam* . . . In the case of Lord *Anglesey* of land lying in *Ireland*, I decreed for distinguishing and settling the parts of the estate, though impossible to inforce that decree *in rem*, but the party being in *England*, I could inforce it by process of contempt *in personam* and sequestration, which is the proper jurisdiction of this court."

To the extent that the relief sought in this case is a negative injunction, it is clearly relief which can effectively be granted, for petitioners can obey it simply by remaining within the territorial jurisdiction.

To the extent that the relief sought is an affirmative injunction requiring action abroad, there are various means of enforcement, such as the requirement of the execution of necessary papers within the territorial jurisdiction or the requirement of posting of a bond to assure performance abroad. As stated by Judge Goodrich, a noted authority on the conflict of laws, in *Kroese* v. *General Steel Castings Corp.*, 179 F. (2d) 760, 765 (C.C.A. 3d, 1950):

> "Equity courts have known for a long time how to impose onerous alternatives at home to the performance of affirmative acts abroad as a means of getting those affirmative acts accomplished."

This Court, in an early case, upheld the authority of an equity court of the Commonwealth of Kentucky, having personal jurisdiction of the defendant, to order the conveyance of land in the State of Ohio. *Massie* v. *Watts*, 6 Cranch 148 (1810). In reaching this conclusion, this Court, speaking through Chief Justice Marshall, cited the practice of the English courts of chancery, as shown in *Penn*

v. *Lord Baltimore, supra; Arglasse* v. *Muschamp,* 1 Vernon 75 (1682); *The Earl of Kildare* v. *Sir Morrice Eustace and Fitzgerald,* 1 Vernon 419 (1686); and *Toller* v. *Carteret,* 2 Vernon 494 (1705).

In *Phelps* v. *McDonald,* 99 U.S. 298 (1878), this Court disposed of a controversy as to the ownership of a claim award by a mixed claims commission, the defendant being a British subject, resident in the United States, over whom the court had jurisdiction *in personam* and who had been declared a bankrupt previously. The Court examined, among others, the argument that the court had no jurisdiction because of the asserted fact that the fund out of which the award was to be paid was still in the hands of the British government. Holding this to be irrelevant, the Court said (99 U.S. at 307, 308):

> "In this case, whether the money be here or abroad, the assignee is entitled to have the question finally settled whether he or McDonald has the better right * * *.
>
> "Where the necessary parties are before a court of equity, it is immaterial that the *res* of the controversy, whether it be real or personal property, is beyond the territorial jurisdiction of the tribunal. It has the power to compel the defendant to do all things necessary, according to the *lex loci rei sitae,* which he could do voluntarily, to give full effect to the decree against him.
>
> "Without regard to the situation of the subject-matter, such courts consider the equities between the parties, and decree *in personam* according to those equities, and enforce obedience to their decrees by process *in personam.*"

Referring to the holding in *Phelps* v. *McDonald,* quoted above, Chief Justice Fuller said in *Cole* v. *Cunningham,* 133 U.S. 107, 119 (1890):

> "Such is undoubtedly the result of the clear weight of authority, and the rule has been often applied by the courts of the domicil against the attempts of some of its citizens to defeat the operation of its laws to the wrong and injury of others."

A more recent case in this Court asserting the existence of jurisdiction to forbid an act outside the territory is that of *New Jersey* v. *New York*, 283 U. S. 473 (1931). In that case, the Court held that it had jurisdiction to forbid the State of New Jersey from dumping in the open ocean, beyond the territorial limits of the United States, garbage which was eventually washed up on the shores of the State of New York. Speaking through Mr. Justice Butler (283 U. S. at 482), the Court said:

> "But the defendant is before the Court and the property of plaintiff and its citizens that is alleged to have been injured by such dumping is within the Court's territorial jurisdiction. The situs of the acts creating the nuisance, whether within or without the United States, is of no importance. Plaintiff seeks a decree in personam to prevent them in the future. The court has jurisdiction."

A well known case in a lower federal court underlines the existence of jurisdiction specifically to order acts to be done abroad. In *The Salton Sea Cases*, 172 F. 792 (C.C.A. 9th, 1909), cert. den., 215 U. S. 603 (1909), plaintiff's property in California had been damaged by the overflow of waters of the Colorado River caused by defendant's construction and operation of sluices and other water works across the border in Mexico which had diverted the course of the river. Defendant was found personally within the State of California. Plaintiff asked the United States Circuit Court in California for comprehensive injunctive relief to prevent further injury by defendant. That court granted relief and, in affirming, the Court of Appeals said (at p. 812):

> "It is further objected that the court had no jurisdiction to decree an injunction in effect abating a nuisance caused by the construction of intakes in the republic of Mexico, and it is claimed that there is a rule supporting this objection to the effect that a court of equity can never compel a defendant to do anything

which is not capable of being physically done within the territorial jurisdiction of the court."

The Court of Appeals concluded, however, (at p. 816):

> "We are of the opinion, therefore, that the court had jurisdiction in the present case to protect property within its jurisdiction, and to restrain the defendant from diverting the waters of the Colorado River to the damage of such property, notwithstanding the defendant may find it necessary in complying with the decree of the court to perform acts beyond the jurisdiction of the court."

Similarly, in a very recent antitrust case, the domestic defendants were ordered to discontinue their joint stock ownership in certain foreign companies. *United States* v. *Imperial Chemical Industries*, 105 F. Supp. 215 (S.D.N.Y., 1952). In rejecting the defense contentions as to lack of jurisdiction in this respect, Judge Ryan said (p. 237):

> "That these measures direct the defendants to do certain things the effect of which is felt or realized beyond our borders is immaterial. Equity has often required such steps to be taken; like remedies have frequently been applied in antitrust suits."[11a]

In other words, the fact that, as here, plaintiff may seek an equity decree requiring persons before the court to do acts abroad, does not *ipso facto* deprive the court of jurisdiction as petitioners seem to contend. On the contrary, where equitable relief of that nature may be appropriate to enforce United States concepts of sound public policy (without impinging on the attributes of a foreign sovereign), jurisdiction is clearly present.

Specifically, in cases of unfair competition abroad involving facts closely resembling the facts of the present

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[11a] *Cf. United States* v. *National Lead Co.*, 332 U. S. 319, 351-352 (1947).

case, courts have found the necessary jurisdiction to grant relief.[12]

Thus, in *Vacuum Oil Co.* v. *Eagle Oil Co.*, 154 F. 867 (C.C.N.J. 1907), aff'd 162 F. 671 (C.C.A. 3d, 1908), cert. den., 214 U. S. 515 (1909), defendant purchased oil in the United States and shipped it to Germany in unmarked barrels. In Germany defendant marked the barrels with a mark imitating plaintiff's trade-mark, which, though registered in the United States, was not registered in Germany. The Circuit Court enjoined defendant's unfair competition, even though the acts of applying the imitating mark and passing off of defendant's oil as plaintiff's both occurred in Germany.

In *George W. Luft Company, Inc.*, v. *Zande Cosmetic Company, Inc.*, 142 F. (2d) 536 (C.C.A. 2d, 1944), cert. den., 323 U.S. 756 (1944), defendant applied to packages which it then shipped abroad for sale a mark which was held to infringe plaintiff's trade-mark. The Court of Appeals

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[12] See Nims, *The Law of Unfair Competition and Trade-Marks*, 4th ed. (1947), sec. 363a:

> "Actions for unfair competition and for trade-mark infringement are transitory, and the court has jurisdiction although the unfair acts or infringements are committed outside of its territorial jurisdiction. * * * Equity courts, acting in personam have power to order persons under their jurisdiction to perform acts outside their jurisdictions and in places where their processes do not run regardless of the fact that such orders may affect property outside their jurisdiction. They may grant relief against unfair acts carried on not only beyond the States included in their jurisdiction, but even in foreign countries. * * * This power of equity courts has been of great and steadily increasing importance in unfair competition cases. With the improvements in the means of extending knowledge and reputation of commercial concerns and their merchandise and with the lengthening of the distances which most goods travel under their trade-marks and trade names, there has been an increase in the number of cases in which the only adequate relief is an injunction restraining unfair competition whether in the United States or in foreign lands."

affirmed a decree enjoining defendant from using the infringing mark on packages shipped to and sold in certain foreign countries. The basis of jurisdiction was personal jurisdiction and "activities within the United States which will be consummated in those countries" (142 F. (2d), at 541). The decree which was thus affirmed as to those countries provided:

> "4. That defendants, their agents and servants be and they are hereby perpetually enjoined and restrained from directly or indirectly manufacturing, selling, distributing or advertising lipsticks, rouges, and other cosmetics bearing the trade-mark 'Zande' or the corporate name 'Zande Cosmetic Co., Inc.' or otherwise using such trade-mark, corporate name, business name or other name which colorably imitates plaintiff's trade-marks 'Tangee' or otherwise infringing plaintiff's trade-mark 'Tangee'."[13]

Virtually the precise situation at bar has been litigated twice in State courts. In *Western Clock Manufacturing Co.* v. *A. C. Smith*, 2 Trade-Mark Reporter 522 (N.Y. Sup. Ct. 1912), known as the "Big Ben" case, defendant, an American dealer, residing in Mexico, registered the trade-mark "Big Ben" owned by plaintiff. Acting in equity the court restrained defendant from the use of such name and perpetually enjoined him from claiming to be the owner

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[13] Reproduced in record of *George W. Luft Company, Inc., Petitioner* v. *Zande Cosmetic Co., Inc., et al*, as filed with petition for certiorari in Docket No. 347, Oct. Term 1944, United States Supreme Court. The decree was modified by the Court of Appeals so as not to apply to that part of the trade of defendant which was carried on in certain foreign countries where, in proceedings between plaintiff and defendant, defendant's right to use its mark had been established. It is to be noted that the *Zande* case was decided before the Lanham Trade-Mark Act of 1946. Moreover, the decision of the Mexican Supreme Court on October 6, 1952, holding that petitioners' Mexican trade-mark is a nullity (see Appendix III to this brief), presents a situation which differentiates the instant case from that portion of the decision of the Court of Appeals which modified the *Zande* decree as indicated above.

of the trade-mark words "Big Ben", and from claiming any rights by virtue of the registration of such name in the Republic of Mexico. He was further ordered by the court to

> "forthwith assign and transfer, by proper instrument in writing * * * all right and interest in and to the registration of the trade-mark words 'Big Ben' * * * or, in the alternative * * * to forthwith execute and deliver to the said plaintiff, Western Clock Manufacturing Company, a petition in proper form to the director of the bureau of patents and trade-marks in the republic of Mexico for the cancellation of the said registration in the name of the said defendant * * * of the said trade-mark words, 'Big Ben' * * * or to execute and deliver to this plaintiff, Western Clock Manufacturing Company, such other proper instrument or instruments in writing, directed to the proper authorities in the republic of Mexico, as may be necessary and proper * * * to procure the cancellation of the said trade mark numbered 11,145 * * *."[14]

In a subsequent New York case, a similar result was reached. *Morris* v. *Altstedter*, 93 Misc. 329, 156 N.Y.S. 1163 (1916), aff'd without opinion, 173 A.D. 932, 158 N.Y.S. 1123 (1916). This was a suit to enjoin defendant from infringing plaintiff's trade-mark and from committing acts of unfair competition. Plaintiffs were manufacturers of paper placards known as woodenettes. They had developed a large business in the sale of those placards both in the United States and in foreign countries, particularly Canada. Defendant requested them to fix a price at which they would sell him woodenettes but he found their price too high. Thereafter defendant sold large quantities of woodenettes to merchants in Canada, the merchandise being so similar in design, style, wording and appearance that they could only have been made up from photographs of plaintiff's woodenettes. Defendant was a resident of New York and carried on his business both in New York

[14] Since this case is not officially reported, the complete text of this case as it appears in the Trade-Mark Reporter is printed in Appendix II to this brief.

and in Canada. The goods sold by defendant in Canada were manufactured in Canada. Plaintiff's trade-mark was never registered in Canada. In granting the injunction, the court cited the *Vacuum Oil* case and said (p. 332):

> "It has been repeatedly held that an act that violates the law of fair dealing and good conscience must be of universal recognition. Unfair competition in trade is made cognizable by a court of equity, because of its essentially fraudulent character. See Hopkins Trade-Marks, 41; *Lawrence Mfg. Co.* v. *Tennessee Mfg. Co.*, 138 U.S. 357. It has also been held that, while the action is founded upon fraud, it is also of a transitory character, and the fact that some of the fraudulent acts were committed outside of the jurisdiction of this state or the United States will not avail the defendant. See *McKenna* v. *Fisk*, 1 How. 241; *Mitchell* v. *Harmony*, 13 id. 115; *Dennick* v. *Cent. R.R.*, 103 U.S. 11."

The facts of the present case are virtually identical with those of the *Altstedter* case. They are even stronger than those of the *"Big Ben"* case, since in that case defendant was a resident of Mexico. In the case at bar, petitioners are residents of the United States, procuring part of the merchandise sold as "Bulova" watches through commerce originating in the United States.

It thus seems clear from the authorities, ancient and modern alike, that a court of chancery has the power to restrain or direct acts abroad on the part of persons before it, based solely on its traditional *in personam* jurisdiction. Accordingly, if only for the reason that the petitioners here were personally before the District Court, its holding of lack of jurisdiction was erroneous. However, we discuss below a number of additional elements in this case each of which confirms such jurisdiction, and which both individually and all together are virtually conclusive on this point. These adidtional elements are:

The United States citizenship of petitioners;

The effect in the United States of the acts of unfair competition in Mexico; and

The activities of petitioners in the United States which eventuate in unfair competition in Mexico.

b. The United States Has Jurisdiction Since Not Only Are Petitioners Personally Subject to Its Territorial Jurisdiction, But Also They Are Citizens.

While the jurisdiction of a sovereign is, in the first instance, territorial, it also extends to its citizens everywhere. As Mr. Justice Jackson said in the recent case of *Johnson* v. *Eisentrager*, 339 U.S. 763, 769 (1950):

> "Citizenship, as a head of jurisdiction and a ground of protection was old when Paul invoked it in his appeal to Caesar. The years have not destroyed nor diminished the importance of citizenship nor have they sapped the vitality of a citizen's claims upon his government for protection."

In *Blackmer* v. *United States*, 284 U.S. 421 (1932), this Court said, in discussing the application of a United States statute to the petitioner, a United States citizen resident in France (pp. 436, 437):

> "By virtue of the obligations of citizenship, the United States retained its authority over him, and he was bound by its laws made applicable to him in a foreign country. Thus, although resident abroad, the petitioner remained subject to the taxing power of the United States. *Cook* v. *Tait*, 265 U.S. 47, 54, 56. For disobedience to its laws through conduct abroad he was subject to punishment in the courts of the United States. *United States* v. *Bowman*, 260 U.S. 94, 102. With respect to such an exercise of authority, there is no question of international law, but solely of the purport of the municipal law which establishes the duties of the citizen in relation to his own government."

This Court also said, in *Skiriotes* v. *Florida*, 313 U.S. 69, 73 (1941):

> ". . . The United States is not debarred by any rule of international law from governing the conduct of its own citizens . . . in foreign countries when the rights of other nations or their nationals are not infringed."

See also: The Hamilton, 207 U.S. 398 (1907).
The Trial of Earl Russell [1901] A.C. 446.
Oppenheim, International Law, 6th ed., Sec. 145.
Moore, International Law Digest, Vol. II, pp. 255, 256.
Hyde, International Law, 2d Rev'd ed., Sec. 240.
American Law Institute, Restatement of Conflict of Laws, Sec. 63.
Beale, Conflict of Laws, Sec. 631.

Although this jurisdiction is exercised most frequently to enforce the direct obligations of the citizen to the sovereign government, it exists also to enforce, at the suit of a citizen, the policy of the sovereign with respect to the mutual obligations of its citizens outside the territory of the sovereign. *The Hamilton*, 207 U.S. 398 (1907).

The case of *The Hamilton*, it is true, related to sovereignty on the high seas. However, this Court, in two recent cases involving construction of statutes under facts entirely different from those presented in this case, specifically recognized the fact that a Congressional statute might apply in foreign territory as between citizens of the United States. In *Vermilya-Brown Co., Inc.* v. *Cornell*, 335 U.S. 377 (1948), an action by an American employee against an American employer under the Fair Labor Standards Act in respect to work performed in an area in Bermuda leased to the United States, Mr. Justice Reed, speaking for this Court, said (p. 381):

> "We have no doubt that Congress has power, in certain situations, to regulate the actions of our citizens outside the territorial jurisdiction of the United States."

In a similar action, *Foley Bros., Inc.* v. *Filardo*, 336 U.S. 281 (1949), Mr. Justice Reed, again speaking for the Court, held that the question of applying the Eight-Hour Law to

work done in Iran and Iraq was "not the power of Congress" but "rather whether Congress intended to make the law applicable." (336 U.S. at pp. 284, 285.)

In an unfair competition case, *Branch* v. *Federal Trade Commission*, 141 F. (2d) 31 (C.C.A. 7th, 1944), described in more detail at pp. 37-38 below, it was held that the Commission had jurisdiction to protect United States foreign commerce against the wrongful acts of an American citizen abroad. The court, speaking through Mr. Justice (then Judge) Minton said (p. 35):

> "The right of the United States to control the conduct of its citizens in foreign countries in respect to matters which a sovereign ordinarily governs within its own territorial jurisdiction has been recognized repeatedly. *Blackmer* v. *United States*, 284 U.S. 421, 436-438, 52 S. Ct. 252, 76 L. Ed. 375; *Cook* v. *Tait*, 265 U.S. 47, 54-56, 44 S. Ct. 444, 68 L. Ed. 895. Congress has the power to prevent unfair trade practices in foreign commerce by citizens of the United States, although some of the acts are done outside the territorial limits of the United States."

c. The United States Has Jurisdiction Since Not Only Are Petitioners Personally Within Its Territory, But Also Their Acts of Unfair Competition in Mexico Have Injurious Effects Within the United States.

The passing off in Mexico of petitioners' spurious "Bulova" watches, largely imported from Switzerland, with some parts imported from the United States, has, according to respondent's complaint, reduced respondent's legitimate sales of its own watches in Mexico. (R. 1-8). This unfair competition and the maintenance of the registration in Mexico of respondent's trade mark as petitioners' property would necessarily reduce the quantity of watches which respondent could export from the United States. The result would be to limit commerce, production and employment in the United States. *Cf. Branch* v.

Federal Trade Commission, 141 F. (2d) 31 (C.C.A. 7th, 1944).

In addition, respondent complains that its reputation has been adversely affected by the sale in Mexico of petitioners' spurious "Bulova" watches to United States residents generally visiting Mexico as tourists. (R. 1-8). Many of the purchasers of petitioners' spurious "Bulova" watches have brought them into the United States, and numerous complaints have been received by respondent from retailers concerning such watches (R. 77, 78). Moreover, the poor reputation which petitioners' spurious "Bulova" watches have earned in Mexico inevitably would be communicated across the border where it would adversely affect respondent. (R. 4).

There is no question as to the existence of the jurisdiction of a sovereign to attach legal consequences to actions which, although done outside, have effects within, the territory of the sovereign.

Strassheim v. Daily, 221 U.S. 280, 284, 285 (1911).
Lamar v. United States, 240 U.S. 60, 65, 66 (1916).
Ford v. United States, 273 U.S. 593, 620, 621 (1927).
United States v. Aluminum Co. of America, 148 F. (2d) 416, 443 (C.C.A. 2d, 1945, sitting as a court of last resort).
The Salton Sea Cases, 172 F. 792 (C.C.A. 9th, 1909).
The S. S. Lotus, Permanent Court of International Justice, Series A, No. 10, 2 Hudson, World Court Reports, 23 (1926).
American Law Institute, Restatement of Conflict of Laws, Sec. 65, and Sec. 377, comment a.
Hyde, International Law, 2d Rev'd Ed. Sec. 238.

On the basis of this principle, the United States has jurisdiction to protect its foreign commerce from acts abroad, since injuries abroad to American foreign commerce have injurious effects within the United States.

Branch v. *Federal Trade Commission*, 141 F. (2d) 31, (C.C.A. 7th, 1944), is an example of the assertion by the courts of such jurisdiction to protect American exporters

against unfair acts committed abroad by an American exporter.

The existence of jurisdiction to protect foreign commerce against other types of anti-competitive acts abroad is illustrated in a long line of Sherman Act cases.[15] The basis for jurisdiction embraces two principal aspects—personal jurisdiction over one or more of the alleged conspirators, whether domestic or foreign (see *United States* v. *Imperial Chemical Industries*,[16] *supra*, 105 F. Supp. at pp. 228-229), and the effect of the alleged acts or conduct upon the foreign commerce of the United States under the Sherman Act. For example, in *Thomsen* v. *Cayser*, 243 U.S. 66

[15] *Thomsen* v. *Cayser*, 243 U.S. 66, 88 (1917); *United States* v. *Sisal Sales Corp.*, 274 U.S. 268, 276 (1927); *United States* v. *Aluminum Co. of America*, 148 F. (2d) 416, 443-445 (C.C.A. 2d, 1945, sitting as court of last resort); *United States* v. *National Lead Co.*, 63 F. Supp. 513, 524-525 (S.D.N.Y., 1945), aff'd, 332 U.S. 319 (1947); *United States* v. *Timken Roller Bearing Co.*, 83 F. Supp. 284, 309 (N.D. Ohio, 1949), mod. and aff'd., 341 U.S. 593, 597 (1951); *United States* v. *General Electric Co.*, 82 F. Supp. 753, 890 (D.N.J., 1949); *United States* v. *United States Alkali Export Ass'n.*, 86 F. Supp. 59, 70 (S.D.N.Y., 1949), s.c., 325 U.S. 196, 211, footnote 8 (1945); *United States* v. *Imperial Chemical Industries*, 105 F. Supp. 215, 229, 237 (S.D.N.Y., 1952), s.c., 100 F. Supp. 504, 593 (S.D.N.Y. 1951).

[16] Although the English Court of Appeals has recently refused (in a preliminary injunction proceeding) to enforce a portion of Judge Ryan's decree in the above *Imperial Chemical Industries* case against one of its nationals, it fully recognized the principles discussed herein. See *British Nylon Spinners, Ltd.* v. *Imperial Chemical Industries*, as reported in Law Report, London Times, Oct. 16, 1952:

> "It was competent for the Courts of a particular country in a suit between persons who were either nationals or subjects of that country, or otherwise subject to its jurisdiction, to make orders *in personam* against one such party, directing him to do or refrain from doing something in another country which affected the other party to the action. But the plaintiffs here were neither subjects nor nationals of the United States, nor were they parties to the proceedings before Judge Ryan nor otherwise subject to his jurisdiction."

(1917), this Court upheld a treble damage action for overcharges by United States shippers against a combination of foreign ocean carriers, which had established a system of uniform rates and special rebates in shipping between New York and South African ports. In rejecting the contention that the combination, having been formed in a foreign country, was not within the Sherman Act, and that its agents in this country were not amenable to the law, the unanimous Court, speaking through Mr. Justice McKenna, said (p. 88):

> "To this we do not assent. As was said by the Circuit Court of Appeals, the combination affected the foreign commerce of this country and was put into operation here. *United States* v. *Pacific & Arctic Ry. & Nav. Co.*, 228 U.S. 87. It, therefore, is within the law, and its managers here were more than simply agents—they were participants in the combination."

As has already been shown, petitioners' acts of unfair competition and trade-mark infringement in the case at bar necessarily produced injurious effects in this country, and petitioners themselves (not merely their agents) were before the District Court.

The Sherman Act authorities, including the recent cartel cases, also make it clear that possible repercussions abroad, or even the lawfulness of cartel agreements abroad, will not deter a finding of antitrust violation and appropriate equity relief therefrom. *Cf. United States* v. *Sisal Sales Corp.*, 274 U.S. 268 (1927); *Timken Roller Bearing Co.* v. *United States*, 341 U.S. 593, 599 (1951); *United States* v. *National Lead Co.*, 332 U.S. 319 (1947). In the *Sisal* case, this Court upheld jurisdiction to enjoin a conspiracy to monopolize the importation of sisal into the United States, even though Mexico and Yucatan had passed legislation favorable to and in aid of the conspiracy.[17] In this con-

[17] *Cf.* cases such as *The Salton Sea Cases*, p. 18 *supra*, where perfectly lawful acts in the foreign territory (e.g., building a dam) are enjoined by our courts.

nection, Mr. Justice McReynolds, speaking for a unanimous Court, said (p. 276):

> "True, the conspirators were aided by discriminatory legislation, but by their own deliberate acts, here and elsewhere, they brought about forbidden results within the United States. They are within the jurisdiction of our courts and may be punished for offenses against our laws."

The only Sherman Act case that might be considered at variance with this unbroken line of authority is *American Banana Co. v. United Fruit Co.*, 213 U.S. 347 (1909), in which a treble damage complaint based on a seizure of plaintiff's property in Costa Rica by the Costa Rican government, allegedly instigated by defendant, was dismissed for lack of jurisdiction. This early antitrust decision would seem to be of doubtful authority today in view of *Thomsen v. Cayser*, the *Sisal* case, and the recent cartel cases already cited. Furthermore, it is clearly distinguishable from the present case in that the acts complained of in the *Banana* case were effected by affirmative action of Costa Rican troops—an exercise of sovereignty with which this Court was naturally loath to interfere (see 213 U.S. at pp. 357-358). Other grounds which even more clearly serve to distinguish the *Banana* case are discussed at pp. 38-39 below.

It thus seems clear that the antitrust decisions are virtually unanimous in asserting jurisdiction in cases that involve acts or conduct abroad by persons properly before the courts. Upon finding a violation of the Sherman Act through such acts or conduct, the courts do not hesitate to direct or enjoin the defendants with respect to future acts abroad in order to remove anti-competitive restrictions or otherwise restore competitive conditions. These cases should provide ample authority for the United States District Court in Texas in this case, after hearing the merits, to decree appropriate relief against petitioners' acts of

unfair competition, even though, in part, this might require or forbid certain conduct in Mexico.

For example, in the *National Lead* case, Section 7 of the decree forbade the defendants, inter alia, from enforcing any rights under their *foreign* patents to prevent exports from the United States[18] (63 F. Supp. at p. 534; 332 U.S. at p. 328, footnote 4). While this particular point was apparently not in issue on the appeal, this Court specifically affirmed Section 7 of the decree without dissent[19] (p. 351). Furthermore, the Court may well have had in mind any jurisdictional question raised by the decree when it said:

> "We believe that the District Court has not exceeded its discretion in the provisions of this decree but has employed its discretion with commendable fairness having especial regard to the needs of this case. It has succeeded in keeping within the lines of precedent thus far established, although, in this field, such lines cannot be much more than guides. The essential consideration is that the remedy shall be as effective and fair as possible . . ." (p. 335).

Surely if a remedy, to be "effective" in the antitrust field, may require that domestic concerns grant immunity under their foreign patents, the equivalent of immunity under a spurious Mexican trade-mark may be required of a United States citizen in an unfair competition case such as is here presented.

An even closer analogy is found in those antitrust decrees requiring or forbidding defendants to take specified action with respect to their foreign trade marks. *E.g.*, *Timken Roller Bearing Co.* v. *United States*, 341 U.S. 593, (1951). In this case, the District Court had found, inter alia, that defendant, by agreements with its foreign co-con-

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[18] The same relief has recently been decreed in the *I.C.I.* case, *United States* v. *Imperial Chemical Industries*, *supra*, 105 F. Supp. at pp. 228, 230.

[19] The dissent in this case was solely on the point that the decree should have been considerably stronger against the defendants.

spirators, had used its trade-mark abroad "for the purpose of preventing competition" (83 F. Supp. at 315). Accordingly, Section VII(C) of the decree[20] enjoined defendant from entering into specified types of agreements with the foreign companies for the transfer of any right or immunity under a trade-mark or trade name. This portion of the decree was affirmed without comment by a majority of this Court (see 341 U.S. at p. 600), as were the findings as to Timken's misuse of its trade-mark abroad (pp. 598-599).

The *Timken* case therefore is authority for an equity court (1) assuming jurisdiction over a domestic company with respect to its foreign trade-mark rights when allegedly misused abroad to the detriment of domestic competitors wishing to export, and (2) including injunctive provisions in its decree with respect to such foreign trade-marks.

A similar exercise of jurisdiction is found in at least two recent consent decrees,[21] which terminated certain cartel agreements, and directed the respective defendants to adopt a new trade-mark for use abroad, to take all necessary steps to register it abroad, to advertise it abroad, etc. This indicates that an equity court will not hesitate to require affirmative, as well as negative, acts abroad in a case where foreign trade-mark rights have been misused.

It is true that the exercise of jurisdiction in antitrust cases with reference to acts done and to be done abroad has occurred most frequently in cases brought by the government to enforce the direct obligations of its citizens to the government. As in the present case, however, such jurisdiction exists to enforce also, at the suit of a citizen,

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[20] Reproduced in Record of *Timken* case, Docket No. 352, October 1950 Term, at pp. 1177-1178.

[21] *United States* v. *SKF Industries, Inc.*, (E.D. Pa., 1950), CCH, Trade Reg. Rep., para. 62, 708; *United States* v. *The Permutit Co.*, (S.D.N.Y., 1951), CCH, Trade Reg. Rep., para. 62, 888. For other antitrust cases and decrees on this subject, see Timberg, *Trade-Marks, Monopoly, and the Restraint of Competition*, 14 Law & Contemp. Problems 323, 334-341 (Spring, 1949).

the policy of the sovereign with respect to the mutual obligations of its citizens outside, as well as within, the territory of the sovereign. Thus, treble damage suits under the Sherman Act have been grounded on acts done abroad. E.g., *Thomsen* v. *Cayser*, 243 U.S. 66 (1917).

d. The United States Has Jurisdiction Since Not Only Are Petitioners Personally Within Its Territory, But Also Their Acts of Unfair Competition Involve Activities Within the Territorial Limits of the United States.

The District Court found that petitioner imported into Mexico watch dials and cases from the United States, which were then assembled with movements imported from Switzerland. Many of the watches so assembled were stamped and sold as "Bulova" watches (R. 247). The District Court found that the dials and cases purchased in the United States were used in "some of the watches" so stamped and sold (R. 247), and petitioner Sidney Steele by testimony in open court affirmed that a "majority of them have something of an American make on them" (R. 106).

The activities of purchase and shipment in the United States were part of the scheme of unfair competition abroad, and, under the authorities discussed below, they give the United States jurisdiction to relieve against such unfair competition.

This is an application of the general territorial jurisdiction of a sovereign. "Each state has legislative jurisdiction to determine the legal effect of acts done or events caused within its territory (see § 64). If consequences of an act done in one state occur in another state, each state in which any event in the series of act and consequences occurs may exercise legislative jurisdiction to create rights or other interests as a result thereof." American Law Institute, *Restatement of Conflict of Laws*, sec. 377, comment a.

The fact that the activities within the United States, the purchase and export of dials and cases not yet marked

"Bulova", would not have been considered actionable if not part of the whole scheme of fraudulent activity does not, of course, oust the court of jurisdiction.

In *Vacuum Oil Co.* v. *Eagle Oil Co.*, 154 F. 867 (C.C. N.J. 1907), aff'd 162 F. 671 (C.C.A. 3d, 1908), cert. den., 214 U.S. 515 (1909), previously discussed in this brief at p. 20, the only activities of defendant within the United States were the otherwise lawful purchase of oil and its export in unmarked barrels. The application of the imitating mark and the passing off of defendant's oil as plaintiff's occurred in Germany. Nevertheless, the court held that it had jurisdiction to enjoin defendant's unfair competition because, among other things, part of the activities which eventuated in unfair competition abroad took place within the territorial jurisdiction of the court.

Similarly, it is a familiar doctrine under the antitrust laws that the lawfulness of certain activities or practices, considered separately, will not prevent their being enjoined when part of an entire scheme that is illegal. *United States* v. *Univis Lens Co.*, 316 U. S. 241, 254 (1942); *cf. United States* v. *Sisal Sales Corp.*, 274 U. S. 268 (1927).

2. The District Court Has Been Vested With Jurisdiction to Grant the Relief Prayed For.

a. The District Courts Have Been Vested With Such Jurisdiction as Part of Their General Equity Jurisdiction in "Diversity of Citizenship" Cases.

In this case, diversity obviously exists since respondent is a New York corporation and petitioners are citizens of the State of Texas.

It is fundamental that in diversity cases the district courts have general equity jurisdiction. U.S. Constitution, Art. 3, Sec. 2; 28 U.S.C. sec. 1332. General equity jurisdiction includes jurisdiction to relieve against trade-mark infringement and unfair competition. *Trade-Mark Cases*,

100 U.S. 82 (1879).[22] See also Pomeroy, *Equitable Remedies*, Secs. 578, 579. This is based on the holding that trade-marks and good will are property. *Trade-Mark Cases*, 100 U.S. 82 at p. 92. Accordingly, equity jurisdiction exists to protect them against trespass, such as has occurred in this case.[23]

As indicated by many cases previously cited under Point 1 (a), general equity jurisdiction, by operating *in personam*, can grant relief in the form of an injunction against, or order to perform, acts abroad. *E.g., New Jersey* v. *New York*, 283 U.S. 473 (1931); *The Salton Sea Cases*, 172 F. 792 (C.C.A. 9th, 1909), cert. den. 215 U.S. 603 (1909). See also cases cited at p. 15, n. 10 above.

Wholly apart, therefore, from the jurisdiction to protect respondent's registered trade-mark specifically conferred on the district courts by the Lanham Trade-Mark Act, as discussed in Point 2b below, the District Court clearly has general equity jurisdiction to grant the relief prayed for in this case.

b. Wholly Aside From the General Equity Jurisdiction Possessed by District Courts in Diversity Cases, the District Courts Have Been Specifically Vested With Jurisdiction to Protect Against Such Trade-Mark Infringement and Acts of Unfair Competition as Petitioners Have Committed in Mexico.

As discussed above, jurisdiction exists in the present case on a number of bases, and respondent submits that the decision of the Court of Appeals should be affirmed for the various reasons heretofore advanced. In addition to all

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[22] *Cf.* also such cases cited previously as *Vacuum Oil Co.* v. *Eagle Oil Co.*, 154 F. 867 (C.C.N.J. 1907), aff'd 162 F. 671 (C.C.A. 3d, 1908), cert. den., 214 U.S. 515 (1909); *George W. Luft Company, Inc.* v. *Zande Cosmetic Company, Inc.*, 142 F. (2d) 536 (C.C.A. 2d, 1944), cert. den., 323 U.S. 756 (1944).

[23] *Cf.* previously cited case of an injunction against trespass to real property: *The Salton Sea Cases*, 172 F. 792 (C.C.A. 9th, 1909), cert. den., 215 U.S. 603 (1909).

of the bases of jurisdiction discussed above, however, there is a specific statutory basis on which the decision below can also be affirmed.

Section 32 of the Lanham Act (60 Stat. 437, 15 U.S.C. sec. 1114) provides generally for remedies against the use of infringing trade-marks in "commerce". "Commerce" is defined, for the purposes of the Act, as meaning "all commerce which may lawfully be regulated by Congress". (Sec. 45, 60 Stat. 443, 15 U.S.C. sec. 1127). The district courts have been specifically vested with jurisdiction of cases arising under the trade-mark laws (28 U.S.C. sec. 1338), and in particular with jurisdiction to grant injunctions to protect trade-marks registered under the Lanham Act against infringing use "in commerce". Sec. 34, 60 Stat. 439, 15 U.S.C. sec. 1116.

The definition of "commerce" in the Lanham Act specifically indicates the intention of Congress to exercise the broadest possible jurisdiction over all commerce that is constitutionally capable of being affected by an Act of Congress. The change in the language defining the application of the trade-mark laws from that used in the previous statutes (Sec. 16 of Act of Feb. 20, 1905, 33 Stat. 724; Sec. 4 of Act of March 19, 1920, 41 Stat. 533) to that used in the Lanham Act is significant. Under the previous language infringing use was required to have been "in commerce among the several States, or with a foreign nation, or with the Indian tribes." Under the Lanham Act infringing use is subject to the statute if it occurs in any commerce which Congress may lawfully regulate.

The commerce which Congress may lawfully regulate includes local, internal commerce in a foreign country if such commerce substantially affects the foreign commerce of the United States,[24] and accordingly, petitioners' use of re-

[24] Although not expressly so stated in the Lanham Act, this application of the Act would be subject to the usual limitations of international law, for undoubtedly Congress had such limitations in mind. But as pointed out below at pp. 39-40, those limitations would not prevent application of the Lanham Act to the present case.

spondent's trade-mark in sales in Mexico is subject to the provisions of the Lanham Act since such use substantially affects United States foreign commerce.

This conclusion as to the scope of the Lanham Act is supported by the decisions of this Court defining the activities which Congress may lawfully regulate under the interstate commerce clause. Thus, this Court has held that Congress may regulate intrastate commerce or activities which substantialy affect interstate commerce. *Houston East & West Railway Co.* v. *United States*, 234 U. S. 342 (1914). In *United States* v. *Darby*, 312 U. S. 100, 118 (1941) this Court said,

> "The power of Congress over interstate commerce is not confined to the regulation of commerce among the states. It extends to those activities intrastate which so affect interstate commerce or the exercise of the power of Congress over it as to make regulation of them appropriate means to the attainment of a legitimate end, the exercise of the granted power of Congress to regulate interstate commerce."

By analogy, the use of an infringing mark in local commerce abroad would appear to be intended by Congress to be governed by the Lanham Act if use in such commerce affects our foreign commerce. See *Roberts, Commentary on the Lanham Trade-Mark Act*, 15 U.S.C.A. secs. 81-1113, p. 268.

The sweeping language of the definition of the term "commerce" in the Lanham Act makes the intention to regulate acts abroad even clearer than in cases which have upheld the application abroad of such statutes as the Federal Trade Commission Act. Under the latter statute, the "commerce" regulated is defined as "commerce among the several states or with foreign nations * * *" (Section 4, 38 Stat. 719, 15 U.S.C. sec. 44). Yet, the Circuit Court of Appeals for the Seventh Circuit, speaking through Mr. Justice (then Judge) Minton, held that Section 5(a) of the Federal Trade Commission Act (38 Stat. 719, 15 U.S.C. sec. 45(a))

empowered the Commission to prevent unfair methods of competition in foreign commerce although the practices in question were consummated outside the territorial limits of the United States. *Branch* v. *Federal Trade Commission*, 141 F. (2d) 31 (C.C.A. 7th, 1944). Defendant there conducted a correspondence school from the United States. His courses of study were sold and distributed by mail in Latin American countries. The Federal Trade Commission found that he had been guilty of misrepresentation in selling his courses abroad. Defendant challenged the jurisdiction of the Commission to issue a cease-and-desist order against the methods he used in conducting his business. In upholding the Commission's jurisdiction, the Court of Appeals said (pp. 34, 35):

> "That the persons deceived were all in Latin America is of no consequence. It is the location of the petitioner's competitors which counts.
> "The Federal Trade Commission does not assume to protect the petitioner's customers in Latin America. It seeks to protect the petitioner's competitors from his unfair practices, begun in the United States and consummated in Latin America. It seeks to protect foreign commerce. If that commerce was being defiled by a resident citizen of the United States to the disadvantage of other competing citizens of the United States, the United States had a right to protect such commerce from defilement, even though the customer who is the victim of such a defilement and a non-resident may look to his sovereign for protection. For protection of the competitors within the United States, the United States is the sovereign to look to."

The specific Congressional intention to confer upon the district courts the whole of the federal jurisdiction for the protection of commerce, as shown by the sweeping definition in the Lanham Act, distinguishes this case from cases in which it has been held that, under particular circumstances, a Congressional statute will not be given effect in foreign territory. *Cf. American Banana Co.* v. *United*

Fruit Co., 213 U. S. 347 (1909); *Foley Bros, Inc.* v. *Filardo*, 336 U. S. 281 (1949). As this Court stated in *Blackmer* v. *United States*, 284 U. S. 421, 437 (1932):

> "While the legislation of the Congress, unless the contrary intent appears, is construed to apply only within the territorial jurisdiction of the United States, the question of its application, so far as citizens of the United States in foreign countries are concerned, is one of construction, not of legislative power. *American Banana Co.* v. *United Fruit Co.*, 213 U. S. 347, 357; *United States* v. *Bowman, supra; Robertson* v. *Railroad Labor Board*, 268 U. S. 619, 622."

The intent of Congress to apply a statute outside the territory of the United States may be inferred from the nature of the legislation itself. *United States* v. *Bowman*, 260 U. S. 94 (1922). Or it may be indicated in the language of the statute itself, as it is in the Lanham Act. Where it is so indicated, it clearly should not be disregarded.

In the case at bar, therefore, jurisdiction is conferred by the Lanham Act to protect respondent's registered trade mark, even though the acts of infringement include local sales abroad, provided such sales substantially affect United States foreign commerce. As shown above, at pp. 26-27, petitioners' sales of spurious "Bulova" watches necessarily have a direct effect on the foreign commerce involved in this case.

Respondent need not, and does not, contend that Congress intended by this broad language to overstep any of the recognized limitations of international law; undoubtedly Congress must have had such limitations in mind in enacting the statute. Thus, it may be that the Lanham Act is inapplicable against a foreign citizen whose sales abroad were not intended to, and did not in fact, affect United States foreign commerce, just as the Sherman Act is so inapplicable. *Cf. United States* v. *Aluminum Co. of America*, 148 F. (2d) 416, 443-445 (C.C.A. 2d, 1945, sitting as a court of last resort). By the same token, since *domestic* companies are apparently held to higher standards of liability

than foreigners in cartel cases under the Sherman Act (*cf. Timken Roller Bearing Co.* v. *United States*, 341 U. S. 593 (1951); *United States* v. *National Lead Co.*, 332 U. S. 319 (1947)), it is reasonable to conclude that the Lanham Act similarly has a broader reach when applied to United States citizens such as petitioners in this case.

In the present case, application of the Lanham Act to protect against petitioners' fraudulent acts would not conflict with any limitations of international law. International law recognizes the right of a sovereign to assert jurisdiction in such a case as this, where defendants are personally within the territorial jurisdiction and are citizens of the sovereign,[25] and where the acts to which the sovereign proposes to attach legal consequences have had injurious effects within the territorial jurisdiction,[26] and are a consummation of a scheme involving acts within the jurisdiction.

3. Not Only Has the District Court Been Vested With Jurisdiction to Grant the Relief Prayed for (Point 2 Above), But Also the District Court Should Grant Such Relief.

In view of its decision that jurisdiction was wholly lacking, the District Court did not consider whether it should exercise jurisdiction and grant relief in this case. Moreover the taking of testimony was interrupted by the court's decision to dismiss. So the Record does not contain all the evidence on which a decision as to whether to exercise jurisdiction should be grounded.

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[25] Oppenheim, *International Law*, 6th ed., sec. 145; Moore, *International Law Digest*, Vol. II, pp. 255, 256; Hyde, *International Law*, 2d Rev'd ed., sec. 240.

[26] Hyde, *Internation Law*, 2d Rev'd ed., sec. 238; *The S. S. Lotus*, Permanent Court of International Justice, Series A, No. 10, 2 Hudson, *World Court Reports*, 23 (1926).

On the basis of the allegations of the complaint, however, it is clear that this is a case in which jurisdiction should be exercised and relief should be granted.

As authorities previously cited show, relief against acts of unfair competition is a common example of the exercise of equity jurisdiction. (See pp. 19-23, 34-35, above.) And the fact that many of the acts of unfair competition in this case occurred outside the territorial jurisdiction of the court need not cause the court to hesitate to exercise its *in personam* jurisdiction.[27]

Indeed, in cases involving facts similar to or virtually identical with those of the present case (discussed at pages 20-23 above), equity courts have held that jurisdiction should be exercised and have granted relief.

> Vacuum Oil Co. v. Eagle Oil Co., 154 F. 867 (C.C.N.J. 1907), aff'd. 162 F. 671 (C.C.A. 3d, 1908), cert. den., 214 U. S. 515 (1909),
>
> George W. Luft Co., Inc. v. Zande Cosmetic Co., Inc., 142 F. (2d) 536 (C.C.A. 2d, 1944), cert. den., 323 U. S. 756 (1944),
>
> Western Clock Manufacturing Co. v. A. C. Smith, 2 Trade-Mark Reporter 522 (N.Y. Sup. Ct. 1912),
>
> Morris v. Altstedter, 93 Misc. 329, 156 N.Y.S. 1103 (1916), aff'd. without opinion, 173 A. D. 932, 158 N.Y.S. 1123 (1916).

Under the circumstances of this case, there is every reason why this controversy between two American citizens should be settled in an American, rather than a Mexican, court. As stated by this Court in *Phelps* v. *McDonald*, 99 U.S. 298, 308 (1879):

> "Conceding the fund to be there [i.e., outside the United States], why should not this question of paramount right be settled in this case, rather than that

[27] See the discussion at pages 15-16 above in connection with *Penn* v. *Lord Baltimore*, 1 Ves. Sen. 444 (1750); and *Kroese* v. *General Steel Castings Corp.*, 179 F. (2d) 760 (C.C.A. 3d, 1950).

the American claimant should be subjected to the delay, expense, and other inconveniences of a suit before a foreign tribunal? The adjudication would be as binding in one case as in the other."

In the present case, the District Court is fully qualified to determine whether petitioners have been engaged in unfair competition. The District Court can frame its decree in such a way as to avoid any conflict with Mexican law.[28] Since the District Court has personal jurisdiction of petitioners, it can make its decree effective.

The advantages of less expense, use of a common language of both parties, and resort to a type of legal procedure with which both parties are familiar, among other considerations, all point to the desirability of exercise of jurisdiction and granting of relief by the District Court.

4. The Cases Cited by Petitioners Do Not Contravene the Existence of Jurisdiction of the United States or of the District Court in the Case at Bar.

The various arguments set forth in the brief of petitioners have already been met above herein. We turn now to the particular cases cited or quoted by petitioners in support of their position.

Marshall v. *Turnbull*, 34 F. 827 (C.C. E. D. N. Y., 1888), cited in petitioners' brief at page 11, did not hold that jurisdiction was lacking. On the contrary, the court there had already found the existence of jurisdiction in *Marshall* v. *Turnbull*, 32 F. 124 (C.C. E. D. N. Y., 1887). In the subsequent decision, the court simply refused to exercise jurisdiction on the ground that plaintiff had failed to make out an equitable basis for injunctive relief. In that case, plaintiff failed to substantiate the grounds presented in the earlier hearing and instead based his claim on the sole

[28] See decision of Supreme Court of Mexico, Appendix III hereto, summarized at p. 6, n. 4 above: *Cf.* decree in "*Big Ben*" case, reproduced in Appendix II hereto.

ground that the actions of the Venezuelan government were void. In the instant case, respondent does not contend that any action of the Mexican government was illegal or void.

Ingenohl v. *Olsen & Co.*, 273 U.S. 541 (1927), is cited at page 13 of petitioners' brief, but the doctrine of the case is misapplied by petitioners. In that case, the Alien Property Custodian transferred a trade-mark which he had seized in the United States. A similar trade-mark had been registered by an English affiliated company under English law in Hong Kong. The case merely held that the Alien Property Custodian had only seized the American rights and could not convey the English rights to the trade-mark as well as the American rights, because Congress could not give him powers to seize property in Hong Kong. That is a far cry from saying that a United States court can not decree that an American citizen (Steele) who, by fraudulent means, obtained registration in a foreign country, of an American trade-mark belonging to another American (Bulova Watch Company) shall not use that trade-mark because he (Steele) is in violation of United States law when he uses such trade-mark.

The *Ingenohl* case and *Hanover Star Milling Co.* v. *Metcalf*, 240 U. S. 403 (1916), cited at page 14 of petitioners' brief, appear to be relied on by them to establish that respondent's trade-mark, as registered in the United States, has no validity in Mexico. Whether or not this is a correct interpretation of the holdings in those cases, they were decided before the Lanham Trade-Mark Act of 1946 was passed. As indicated in the argument at pages 35ff. above, the clear intention of Congress to provide protection beyond the borders of the United States for trade-marks registered under the Lanham Act would obviously qualify any such interpretation of these two decisions.

The quotation from *The Schooner Exchange* v. *M'Faddon*, 7 Cranch 116, 136 (1812), at page 15 of petitioner's brief, to the effect that the sovereign has exclusive jurisdiction within its territory, obviously must be interpreted

in the light of the well established doctrine that a sovereign can exercise jurisdiction, under certain circumstances, beyond its own territorial limits, and within the territorial jurisdiction of another sovereign, *e.g.*, in the case of its citizens abroad. *Blackmer* v. *United States*, 284 U. S. 421 (1932). In the light of this and other well established examples of such exercise of jurisdiction already discussed above at pages 26-34, it is clear that the *M'Faddon* case must not be considered as excluding the jurisdiction of the United States to grant relief in the present case against petitioners' acts in Mexico.

American Banana Co. v. *United Fruit Co.*, 213 U. S. 347 (1909) cited at page 15 of petitioners' brief, as indicated at pages 38-39 above, is to be regarded merely as establishing a presumptive rule of statutory construction to the effect that a statute is to be construed to apply only within the territorial jurisdiction "unless the contrary intent appears." See *Blackmer* v. *United States*, 284 U. S. 421, 437 (1932). The presumption can be rebutted by an indication or inference of a contrary legislative intent,[29] such as is clear with reference to the scope of the Lanham Act in the present case. In addition, the *Banana* case is clearly distinguishable from the present case in that the acts complained of in the former case were effected by affirmative action of Costa Rican troops—an exercise of sovereignty with which this Court was naturally loath to interfere (see 213 U. S. at pp. 357-358).

The case of *Brown* v. *Duchesne*, 19 How. 183 (1857), cited at page 16 of petitioners' brief, involved an interpretation of the patent laws. While the patent laws are understood to apply only within the territorial jurisdiction, and, according to *Brown* v. *Duchesne*, may not be applicable to all cases within the territorial jurisdiction, the scope of their application has no bearing on the scope of protection which will be afforded against trade-mark infringement and other unfair competition.

[29] *United States* v. *Bowman*, 260 U. S. 94 (1922).

In discussing the application of the Lanham Trade-Mark Act, petitioners cite *Cuba Railroad Co.* v. *Crosby*, 222 U.S. 473 (1912), at page 16 of their brief, apparently in an effort to establish that Mexico can not be presumed to have a law like the Lanham Trade-Mark Act. However, respondent in this case is not relying upon a Mexican "Lanham Act" as a basis for protection against trade-mark infringement by petitioners. Respondent contends that it is the Lanham Trade-Mark Act of the United States that applies to petitioners' acts of infringement, in addition to the other bases of jurisdiction that exist in the present case.

The quotation from *Sandberg* v. *McDonald*, 248 U.S. 185 (1918), appearing on page 18 of petitioners' brief, in great measure confirms respondent's discussion of the case of *American Banana Co.* v. *United Fruit Co.*, *supra*, at pages 38-39 above, as does also the quotation from *Blackmer* v. *United States*, 284 U.S. 421 (1932), on page 19 of petitioners' brief.

In discussing *Sandberg* v. *McDonald*, *supra*, *Blackmer* v. *United States*, *supra*, and *United States* v. *Bowman*, 260 U.S. 94 (1922), cited at page 19 of petitioners' brief, petitioners argue that the presumption of territorial application has not been rebutted in the case of the Lanham Trade-Mark Act. This question is covered at pages 35-40 above, and it is unecessary to repeat the argument appearing there.

The case of *Dowagiac Manufacturing Co.* v. *Minnesota Moline Plow Co.*, 235 U.S. 641 (1915), cited at page 22 of petitioners' brief, only reaffirms the principle stated in *Brown* v. *Duchesne*, *supra*, that the application of the patent laws is confined to the territorial jurisdiction. It is not relevant to a trade-mark and unfair competition case. Moreover, the Court in the *Dowagiac* case emphasized the fact that the patent infringement by defendants was apparently an unintentional infringement. 235 U.S. at 644. This fact obviously distinguishes the *Dowagiac* case from the case at bar, in which the misappropriation of

respondent's trade-mark and good-will by petitioners was deliberate and calculated.

The quotation from *Slater* v. *Mexican National Railroad Co.*, 194 U.S. 120 (1904), at page 24 of petitioners' brief, is relevant only to the question whether the District Court should exercise jurisdiction, and not to the question whether jurisdiction exists. As pointed out above at page 14, this question is not before this Court, but convincing reasons exist, as set forth at pages 40-42 above, for a decision by the District Court that the jurisdiction should be exercised.

CONCLUSION

For the reasons set forth above, the decision of the Court of Appeals should be affirmed.

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APPENDIX I

STATUTES INVOLVED

(1) 28 U.S.C. Sec. 1332:

"Sec. 1332. Diversity of citizenship; amount in controversy.

"(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $3,000 exclusive of interest and costs, and is between:

"(1) Citizens of different States: * * *"

(2) 28 U.S.C. Sec. 1338:

"Sec. 1338. Patents, copyrights, trade-marks, and unfair competition.

"(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases.

"(b) The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws."

(3) The Lanham Trade-Mark Act of 1946 (60 Stat. 427, 15 U.S.C. Secs. 1051-1127):

"Sec. 32. (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements in-

tended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided in this Act, except that under subsection (b) of this section the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers." (15 U.S.C. sec. 1114).

* * * * * * *

"Sec. 34. The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may decree reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office." (15 U.S.C. sec. 1116).

* * * * * * *

"Sec. 45. In the construction of this Act, unless the contrary is plainly apparent from the context—

* * * * * * *

"The word 'commerce' means all commerce which may lawfully be regulated by Congress.

* * * * * * *

"The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations." (15 U.S.C. sec. 1127).

APPENDIX II

Full text of 2 Trade-Mark Reporter 522-523, including editorial comment appearing with the report (editorial comment from the Trade-Mark Reporter, page 523, appears at page 51, below):

WESTERN CLOCK MFG. CO. v. A. C. SMITH

Special Term, New York County, September 30, 1912.
Trade-Mark—Fraudulent Registration Abroad.

Defendant, who had fraudulently registered in Mexico the trade-mark of the plaintiff, required to assign the registration to the plaintiff or to execute a consent to its cancellation.

In Equity. On final hearing.

The defendant, a resident of Mexico City, had fraudulently registered there the trade-mark of the plaintiff. Personal service was obtained upon him in New York in a suit in equity to compel him to relinquish his rights therein.

King & Booth for plaintiff.

After the taking of proofs, final judgment was awarded in favor of the plaintiff, by Mr. Justice Goff, as follows:

Ordered, adjudged and decreed that the defendant, Alfred C. Smith, in procuring the registration in his own name, and for his exclusive use in the bureau of patents and trade-marks in the republic of Mexico of the trade-mark words "Big Ben" as applied to clocks and timepieces and in procuring the issue to himself of certificate, number eleven thousand one hundred forty-five (11,145) of said bureau of patents and trade-marks, dated the 22nd day of April, 1911, has acted in fraud and in violation of plaintiff's rights in and to the use of the said trade-mark words "Big Ben" as applied to clocks and timepieces in the republic of Mexico and elsewhere, and

Ordered, adjudged and decreed that the defendant, his agents, servants and employees be, and they are perpetually enjoined and restrained from claiming to be the

owner of the trade-mark words "Big Ben" and from claiming any rights thereto under and by virtue of the said registration thereof by the said defendant in the republic of Mexico, or under or by virtue of the said certificate No. 11,145, issued by the bureau of patents and trade-marks to the said Alfred C. Smith, as aforesaid, and from in any way interfering with the plaintiff's trade or the sale of clocks or timepieces manufactured by plaintiff and sold in the republic of Mexico or elsewhere by plaintiff or other persons or corporations to whom plaintiff has sold its clock or timepieces, and

Ordered, adjudged and decreed that the defendant, Alfred C. Smith, forthwith assign and transfer, by proper instrument in writing, to this plaintiff, Western Clock Manufacturing Company, all right and interest in and to the registration of the trade-mark words "Big Ben" protecting clocks, number eleven thousand one hundred forty-five (11,415), the certificate for which registration was issued to the said defendant, Alfred C. Smith, by the bureau of patents and trade-marks in the republic of Mexico on the 22nd day of April, 1911, or, in the alternative, said defendant, Alfred C. Smith, is ordered and directed to forthwith execute and deliver to the said plaintiff, Western Clock Manufacturing Company, a petition in proper form to the director of the bureau of patents and trade-marks in the republic of Mexico for the cancellation of the said registration in the name of the said defendant, Alfred C. Smith, of the said trade-mark words, "Big Ben", or to execute and deliver to this plaintiff, Western Clock Manufacturing Company, such other proper instrument or instruments in writing, directed to the proper authorities in the republic of Mexico, as may be necessary and proper to enable the said plaintiff to procure the cancellation of the said trade-mark numbered 11,145 to protect clocks and now standing in the name of the defendant, Alfred C. Smith, and

Ordered, adjudged and decreed that the plaintiff recover judgment against the defendant for the costs of this action to be taxed by the clerk, amounting to $97 10/100, and that the plaintiff have execution therefor.

ENTER.

J. W. G.
Justice of the Supreme Court

[The extraordinary interest attaching to this case as a novel and effective means of dealing with the piracy of American trade-marks in foreign markets, leads us to depart from our usual rule to report only court decisions and, in the absence of any formal decisions, to print in full the final decree in this suit. It should be a precedent of value to many attorneys who have found themselves at a loss how to act in the like situation.]

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1952.

No. 38.

SIDNEY STEELE, ET AL., *Petitioners*,

v.

BULOVA WATCH COMPANY, INC., *Respondent*.

On Writ of Certiorari to the United States Court of Appeals for the Fifth Circuit.

APPENDIX III TO BRIEF FOR THE RESPONDENT.

TRANSLATION OF THE DECISION OF THE SECOND COURT OF THE SUPREME COURT OF MEXICO

in

SIDNEY STEELE v. SECRETARY OF THE NATIONAL ECONOMY.

October 6, 1952.

PRESS OF BYRON S. ADAMS, WASHINGTON, D. C.

IN THE

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in

SIDNEY STEELE v. SECRETARY OF THE NATIONAL ECONOMY.

October 6, 1952.

TRANSLATION OF THE DECISION OF THE SECOND COURT OF THE SUPREME COURT OF MEXICO.[1]

Angel Salazar Arjona, Clerk of the Second Court of the Supreme Court of Justice of the Nation . . .

[1] A certified copy of the Mexican Court's decision in Spanish has been filed in this cause as an original document in the Office of the Clerk of this Court.

Certifies

That in Docket number 2221-51-1st, concerning the *amparo* suit brought by Sidney Steele against the Secretary of the National Economy, there is a document, among others therein contained, which is a Resolution, which literally says:

Mexico, Federal District.—Decision of the Second Court of the Supreme Court of Justice of the Nation, the sixth day of October of 1952.—The present *amparo* suit has been reviewed; and whereas: 1.—By petition presented Jan. 22, 1951, to the Second District Court of the Federal Court sitting in Administrative Matters, Carlos del Castillo, Attorney at law, as attorney and representative of the complainant, Mr. Sidney Steele, asked protection against the actions of the Secretary of the National Economy, which were stated to be: "the resolution number 1, issued by the responsible authority on the fourth of January of the current year (1951), in which the national mark number 33602, called "Bulova", the property of the complainant, which is used with reference to watches, was declared to be null; and the consequences and effects arising from said resolution.—2. The representative of the complainant set forth the circumstances leading up to the case, which he considered relevant, declaring that the actions complained of violated the guarantees contained in articles 14 and 15 of the Constitution.—3. The foregoing petition, having been accepted and heard and the third party affected having been summoned, on February 11, 1952, the District Judge held the final hearing and on April 25 following, duly gave his decision, which appears to have been as follows:

(FIRST). The courts of the Union do not protect or defend Sidney Steele against the actions of the Secretary of the National Economy, as described in the first whereas clause of this decision.—(SECOND) Personal notice shall be given. The decision is based upon the following considerations:

(FIRST). In the original document of Notice number 225, which contains the resolution complained of, is fully set forth the existence of said resolution, which therefore is in order, in accordance with articles 93, 129 and 202 of the Federal Code of Civil Procedure, which likewise have supplementary application here. Furthermore, in his report, supported by justification, the Secretary of Economy admits the existence of the act which is complained of, that is to say, the resolution declaring null national mark number 33602, called "Bulova". (SECOND). In the opinion of the Court, there are no grounds for dismissal of the suit and therefore it is pertinent to consider the allegations set forth in the petition. In the first place, the complainant declares: ". . . First.—The Secretariat, in issuing the resolution complained of, violated the guarantee contained in article 14 of the Constitution, since it did not observe the provisions of articles 229 and 230 in regard to Industrial Property, which should be applied in relation to article 232 of the Law [on Industrial Property] itself. In accordance with the provisions of the last article cited of the Law, when the Secretariat undertakes to issue, ex oficio, any declaration of the sort included in Title VI of the Law (among these declarations, it is clear, being that of nullity of a mark), it must give notice of this fact to the person presumed to be affected, in the manner provided for, indicating briefly the reasons and legal bases for the action that it intends to undertake. Now then, the requirement that such notice be given in the manner provided for cannot be interpreted as meaning any manner other than that provided for in the Law itself in regard to notice of a complaint having reference to an appeal from declarations made by administrative officials, presented in the form of a petition by a party in whose case the provisions of article 229 are controlling; such petition must be in writing, accompanied by the documents or evidence on which the complaint is based, and said complaint must as provided for in article 230, be brought to the knowledge of the owner

of the mark, to whom a copy of such complaint shall be sent, and a period shall be set within which the evidence on which the nullity of the registration is to be founded must be presented. In the instant case, the responsible authority, in carrying out article 232 of the Law on Industrial Property, did so in partial form, omitting in a manner not fully explained, to fulfil the requirements of that article, upon the observance of which other related provisions of law are founded; i.e., such a provision must be related to other provisions that concern similar matters, since the complaint is required to be in a particular form, i.e., in conformity with the provisions of the preceding articles, which also govern the procedure that must be followed in issuing the administrative declarations referred to. In this case, the requirements outlined above were not carried out, since on drawing up Notice 25194 of Nov. 22 of 1950, which was addressed to Mr. Sidney Steele, the reasons for the declaration of nullity of the mark in his possession were not set forth in an exact though brief manner, nor was indication made of the facts and evidence on which this intended action was based, nor indeed, as the text of the document itself shows, was the evidence brought forward upon which the nullity of the registration of the mark was based; it is therefore clear that the articles of the Law of Industrial Property were violated to his injury, through failure to carry out the provisions of these articles exactly, and as a consequence, the guarantee contained in article 14 of the Constitution was also violated to his prejudice, this article providing that no one may be deprived of his property, possessions, or rights, except by means of legal proceedings carried out before courts already established, in which the essential procedural formalities are fulfilled and in accordance with laws adopted prior to such proceedings. The above-described allegation of a violation becomes a double injury to the complainant, caused by the responsible authority, since on the one hand the guarantee of a hearing established by said constitutional provision

was not fulfilled, and on the other hand, the administrative proceeding for the nullity of the mark was not initiated in conformity with the procedural formalities set forth in the Law of Industrial Property.—Therefore the present allegation of a violation has validity, basically because of the irregular procedure followed by the responsible authority in issuing the document complained of. The full proof of the violations committed is to be found in the document containing the definitive resolution of nullity of the mark, when the Secretariat, in paragraph III of the Chapter of the antecedents of the resolution itself, indicated the considerations and evidence on which the proceeding for declaring the nullity of the mark was based; which inexplicably the Secretariat failed to do on informing the owner of this registered mark of the initiation of the proceeding; for it cannot be held that this was done merely by stating that he recognized the mark and knew it to be used in the Republic at the time application was made for registration, without making known to him all the elements on which such a statement was based, all this being based on the evidence presented in another controversy in which it was resolved to deny a declaration of illegal use of such mark, and since in such other controversy matters distinct from that of the nullity of the mark were decided, the owner of the mark cannot with certainty know what evidence was related to the matter of the nullity of the mark and what was not. From all that has been set forth above, it is obvious that it was not sufficient, as the Secretariat assured him, when an ex oficio proceeding to declare the nullity of a mark is undertaken, merely to inform the person presumed to be affected that the proceedings have been initiated to declare such a nullity, nor in such a case, that said proceeding will be simplified because the petition is omitted since it has been shown that the procedure in all cases is the same and only differs when no controversy exists concerning the rights of another private party or of the Federation . . .". Summing up the pre-

ceding complaint, according to the complainant, there was a double violation of article 14 of the Constitution, consisting of: a).—The guarantee of a hearing was not complied with; b).—The initiation of the administrative proceeding was not made in accordance with the law applicable to the case, since the procedural formalities set forth in the Law of Industrial Property were not fulfilled. This double violation was caused, according to the complainant by the [administrative] authority, who failed to observe articles 229, 230 and 232 of the said Law, in Notice number 25194, that is to say: The reasons upon which the nullity was to be declared were not set forth in a precise, brief form; 2.—The facts or evidence on which this intended action was based were not indicated; 3.—The complainant was not notified, so that he could take note of the evidence on which the said nullity of the mark was to be based. In order to decide whether the cited allegation of a violation has foundation or not, it is necessary to analyze article 232 of the cited Law and the Notice referred to, in order to see if the injuries mentioned by the complainant exist or not. Article 232 of the Law of Industrial Property says: "... When the Secretariat of National Economy considers it in order to make any ex oficio declaration included in the present Title, it shall notify the party presumed to be affected in the manner provided for, indicating to him briefly the reasons and legal bases of the action which it intends to undertake, in order that he will have an opportunity to weigh the considerations and to present evidence he may consider relevant, within the obligatory period provided for this purpose." This provision governs the form in which the Secretariat of Economy must initiate the proceeding for an ex oficio declaration of the nullity of a mark (a power granted to it by article 208 of said Law). The procedure is as follows: a).—It must notify the party presumed to be affected, in writing and at his domicile, according to article 230 of the said Law, of the initiation of the

proceeding; b).—It must indicate in the notice, or writing, briefly, the reasons and legal bases of the action it intends to undertake; c).—It must indicate to the party affected or presumed to be affected, a period in which he may contest the validity of the considerations believed to be relevant and present his evidence. In this case, the Secretariat considered it proper to initiate ex oficio a proceeding to declare the nullity of the mark "Bulova", and to that end drew up Notice 25194, which was communicated to the complainant, which fact the latter admits in his complaint, saying: ". . . 2. As is proved by Notice number 25194 of Nov. 22, 1950, which accompanies this complaint, the General Administrative Office of Industrial Property, an agency of the Secretariat of National Economy, informed my representative of the following: "You are hereby notified that proceedings have been initiated by this Secretariat to declare ex oficio the nullity of the mark in your possession denominated "Bulova", number 33602. . ." (an assertion fully proven in accordance with article 200 of the Procedural Code cited). Said notice declares: ". . . That proceedings to declare the nullity of the national mark "Bulova" number 33602 are hereby initiated, based on the last part of section V of the Law of Industrial Property. Mexico, D.F., Nov. 22, 1950. To Mr. Sidney Steele. Cinco de Mayo No. 43, City. You are hereby notified that proceedings by this Secretariat to declare the nullity of the mark in your possession denominated "Bulova", number 33602, are herewith initiated. It is considered appropriate to initiate this proceeding based on the last part of section V of article 200 of the Law of Industrial Property, by virtue of which it is considered that the applicant for the mark referred to recognized this name and knew that if was used in the Republic prior to the request for registration. In effect, in conformity with the considerations set forth in the administrative declaration number 94, denying the illegal use of the "Bulova" mark, number 33602, and communicated

to you by notice 24844 of the 16th of the current month, it is obvious from the evidence presented in that controversy that the mark was already known in the Mexican Republic prior to the year 1933, in which its registration was applied for. In this respect, and in accordance with article 232 of the Law of Industrial Property, you are granted a period terminating on December 22 next in which you may have the opportunity to bring up considerations you believe to be relevant and to present evidence in your favor, with the understanding that at the expiration of said period the question will be decided, on the basis of the matters presented in the case and on the provisions of law and administrative regulations in effect. Very truly yours. EFFECTIVE SUFFRAGE. NO REELECTION. The Director General, César Sepulveda. Signed."—From the text quoted it is clearly apparent that the responsible authority complied exactly with the provisions of said article 232, since it indicated the legal basis for initiating the proceeding (section V, last part of article 200 of the cited Law), and the reasons for its action, indicating the evidence on which said action was based by saying that the proceeding was initiated in accordance with the considerations contained in resolution number 94, also communicated to the complainant by notice 24844 of Nov. 16, 1950 (against which *amparo* suit 2048-50 was brought in this same Court), a resolution which contained the following statement: ". . . Special considerations . . . Third. Now then, we shall proceed to determine if the registration of mark number 33602 is valid or if, on the contrary, it must be annulled, as having been obtained in bad faith, as the defendants affirm.—Article 76 of the Regulations for the Law on Marks and Commercial Notices, published in the *Diario Oficial* of Dec. 31, 1928, establishes in its paragraph II that, in accordance with the provisions of article 6bis of the International Convention for the Protection of Industrial Property of March 20, 1883, revised at the Hague in 1925, the nullity of marks registered in bad faith

may be petitioned for at any time; therefore, applying this principle, (as also set forth in the cited article 6bis of the Convention of the Union of Paris referring to marks registered in bad faith), to the present case, (which is concerned with a foreign company having the right to protection by said International Treaty and the principles of International Law for the protection of Industrial Property) the nullity of the registration of mark 33602 must be considered, based on the provisions of the last paragraph of section V of article 200 of the Law in effect . . . In the light of the preceding considerations, it is established that the evidence referred to makes it obvious that Mr. Sidney Steele recognized the mark "Bulova", applied to watches, even before 1933, at the time he applied for the registration of said mark in the name of Sidney Steele and Company, Incorporated. Now then, the mark was applied for, as has been said, in the name of the said company. But it appears from the registration proceeding that the application was made personally by Sidney Steele, who signed it with a description of his status as agent of the company, and owner, almost the only owner, of said company, from which it must be inferred that the bad faith inures not only to Sidney Steele but also to the applicant company, since he acted on behalf of the latter, and that the recourse of applying for the mark in the name of a company merely indicates a subterfuge which does not free Sidney Steele from the bad faith attributed to him. There are furthermore other elements which lead one to presume the bad faith of Sidney Steele. The existence of the Bulova Watch Co., Inc. since 1911; the registrations of the Bulova mark which have been made in Mexico; the correspondence which passed between Sidney Steele and the Swiss Watch Confederation; the certifications issued by the Secretariat of Industrial Property of the Swiss Confederation; the sale of the Bulova watch in Mexico prior to 1933, date of the registration of mark 33602; the publication of the commercial name of the Bulova Watch

Co. in the Industrial Property Gazette; the professional activity of Sidney Steele, which legally and logically leads one to presume that he knew that in applying for the registration of the mark he was taking undue advantage of the world prestige of the latter; the inferior quality of the watches sold as "Bulova" by Sidney Steele, in contrast to the quality of those made by the Bulova Watch Co., Inc.; and the invariable principle that the usurper of a mark never produces articles of the best quality nor of greater price than that of the authentic articles; all these facts, together with the evidence that has previously been examined in this opinion leads ineluctably to the conclusion that the registration of the mark 33602 was obtained in bad faith. In these circumstances a second motive exists to establish the fact that the use made of the word "Bulova" by the Bulova Watch Co. Inc., is not an illegal use of mark 33602, since the latter had used it for many years as a mark, had registered it several times in other countries and had gained many customers for it, and therefore [said company] can not in equity or in law be held to be the illegal user of this mark solely through the malice of a third party who puts himself forward in bad faith to register the same name in our country, without having been a prior user of it. The present owner of mark 33602 formulates objections to the effect that these matters must not be resolved by this Secretariat, basing his objections on a decision of the Supreme Court of Justice of the Nation. In this regard it is necessary to hold that, as regards said decision, the points decided therein have the character of res judicata, confirming the declaration that this Secretariat issued denying the administrative declaration of nullity of mark 33602 for the purpose for which it was then invoked, but for no other. By virtue of the reasons set forth in the course of this opinion, the Secretariat would be empowered to resolve at once the nullity of mark 33602. Nevertheless, in order to give Mr. Steele better opportunity, in a separate proceeding conducted ex

oficio by this Secretariat, the administrative declaration of nullity of the mark in question will be carried out, subject to the procedure fixed in articles 232 and 233 of the Law governing the matter . . . It is Resolved: . . . IV.—At the appropriate time, the proceeding declaring the nullity of national mark number 33602, the property of Mr. Sidney Steele, will be initiated ex oficio, in fulfilment of the requirements of the Law to such effect . . . Finally, in the Notice number 25194, referred to, an obligatory period in which the action may be protested and evidence presented is established. As has been shown, the responsible authority fulfilled the mandate of article 232 of the Law on Industrial Property, and further complied with the applicable provisions of article 322 of the procedural law cited, since the whys and wherefores of the proceeding are clearly apparent from the transcribed Notice, i.e., the facts and bases on which the action is founded and the object it seeks to achieve. It may be concluded from the arguments previously presented that the allegation of a violation, thus analyzed, is unfounded and inconsistent. In effect, in Notice 25194, if the reasons are set forth why the mark "Bulova" is to be nullified, when it says: ". . . In effect, in accordance with the considerations set forth in administrative declaration number 94, denying the illegal use of the mark "Bulova", number 33602, notice of which was given to you by Notice 24844 of the 16th of the current month, the evidence presented in that controversy shows that the mark was already known in the Mexican Republic prior to the year 1933, in which registration was applied for . . ."; if it is also said, what is the evidence taken into consideration and the place where it may be found, that is, in the file for mark number 33602, and especially in the resolution number 94, known to the complainant since he brought an amparo suit against it in this same Court, registered under number 2048-50; then there is no failure to apply articles 229, 230 and 232 of the Law on Industrial Property, nor any violation of article 14 of the Constitu-

tion by failure to carry out the essential procedural formalities. The injured third party, in the allegations presented at this hearing, in analyzing the allegation of violation offers the following arguments, which he believes valid and sufficient to refute those contained in this opinion: ". . . Article 232 of the Law on Industrial Property establishes that when the Secretariat of Economy considers it appropriate to make ex oficio any declaration of nullity of a mark, it shall communicate this fact to the party presumed to be affected, that is to say, the owner, in the manner provided for, briefly indicating the reasons and legal bases of the action that is intended, in order that he may have the opportunity to weigh the considerations and present evidence that he believes relevant, within the obligatory period indicated for this purpose. In spite of what the complainant states, the Secretariat of the Economy, on issuing the resolution complained of, complied with and fully carried out the requirements of said provision of law. In effect, the complainant recognizes, in the second clause of the preamble to his petition that the responsible authority sent him Notice number 25194 of Nov. 22, 1950, in which: a).—The Secretariat indicated its intention of initiating ex oficio the nullity of the mark 33602 "Bulova" (Paragraph First of the Title cited); b).—The owner of said mark was notified of this in the manner provided for by article 230 of the Law on Industrial Property, i.e., the Notice was sent to the domicile indicated in the file and a period (of 30 days) was fixed in which said owner of the mark could present in writing his relevant objections and observations; c).—Said Notice briefly stated the reasons and legal bases for the action of declaration of nullity. The legal basis is expressly stated in the second paragraph of the Notice of Nov. 22, 1950, where it is stated that "it is considered proper to initiate this proceeding, based on the last part of Section V of Article 200 of the Law of Industrial Property, by virtue of which it is believed that the applicant for the mark in question recognized this name and knew that

it was used in the Republic prior to the application for registration." —So far as concerns the reasons on which the Secretariat based its action, these also are expressly stated in the third paragraph of the same Notice: "Therefore, in conformity with the considerations set forth in the administrative declaration number 94, denying the illegal use of the "Bulova" mark number 33602, and of which you have been notified by Notice 24844 of the 16th of the current month, the evidence presented in that controversy shows that the mark was already known in the Mexican Republic prior to the year 1933, in which the registration in question was applied for." The considerations set forth in the cited administrative declaration number 94, are clearly and expressly stated on pages 18, 19, 20, 28, 29, 30, 31 and 32 of said resolution, which the complainant knew about in every detail, since he brought his *amparo* suit against said resolution in this same Court, said suit being filed under number 2048-50, the petition for which was presented on Dec. 5, 1950. Therefore, the considerations on which the resolution complained of in this suit was based were well known to the complainant. d).—As regards the opportunity provided for in article 232 for the owner of the mark to weigh the considerations and present evidence he considers relevant, the same Notice 25194 which has just been discussed constitutes the best proof that this last requisite of law was satisfied. It is clearly stated in the fourth paragraph of the document under reference that: "In this respect and in accordance with article 232 of the Law on Industrial Property, you are granted a period that will terminate on Dec. 22nd next, in order that you may have the opportunity to weigh the considerations that you consider relevant and to present evidence in your favor, with the understanding that on the expiration of the period, the question will be decided, on the basis of the matters presented in the case and on the provisions of law and administrative regulations in effect." —Furthermore, not only does proof exist that the responsible authority com-

plied with the requirements of article 232 of the Law governing the matter regarding the opportunity that must be afforded to the owner of a mark to formulate his defense, but also there is further proof complementing this which has the same force and which in the same manner undoubtedly establishes the fact that he was given opportunity for defense. This proof consists of the writing under date of Dec. 21, 1950, that is, on the eve of the day ending the period given to the owner of the mark to prepare his defense, in which writing the present complainant presented the defenses he considered relevant, alleging that there had been no bad faith in the registration of mark 33602. The considerations set forth must logically and legally lead to the following conclusions: FIRST.—The guarantee of a hearing provided in article 14 of the Constitution was duly satisfied when, in the first place, the Secretariat of Economy gave the complainant a period of 30 days in which to weigh the considerations and evidence that might be favorable to him, and in the second place, the complainant himself within the period indicated formulated his opposition to the declaration of nullity of his mark. —Second.—The administrative proceeding of nullity of the mark 33602, was carried out in accordance with the four principles established in paragraphs a), b), c), and d), *supra*, provided for in article 232 of the Law, which is exactly applicable to this case, and also all the procedural formalities required by the Law on Industrial Property in said provision were complied with, in relation to articles 230 and 233 of the same Law. As far as concerns the provisions of articles 229 and 230, already referred to, these establish various requirements that are not applicable to the instant case, since they refer to a different type of controversy, such as one initiated by a petition of a party, said requirements being: a).—A writing in duplicate, accompanied by the relevant documents; b).—The total sum of study and examination fees. It is obvious that there is reason why these requirements be satisfied by the Secretariat, since

the latter is not going to pay such fees, and the relevant documents may be found in the files themselves, and the petition is the notice in which the initiation of the proceeding is made known. For the remainder, neither in the case of a controversy begun by petition of a party, nor in that initiated ex oficio, is it required that the defendant be presented with copies of the documents, since these are on file in the Secretariat of Economy, and the defendant has the duty of acquainting himself with them, applying, either himself or through his representative, to the Secretariat for this purpose. (article 230).—The applicable requirements, that is, the notification of the petition, sent to the domicile of the defendant, and the period provided for the latter to reply, (article 230) were complied with by the Secretariat of Economy, as has been shown above. It is pertinent to transcribe the relevant part of the report, because the arguments presented there are correct: "... In the first allegation of violation infractions of article 229 and 230 of the Law on Industrial Property are adduced, which according to the complainant must be applied in relation to article 232 of the same Law. Such an argument is not exact, because article 229 as well as article 230 refer to a case in which the administrative declaration of nullity is requested by the interested party and these provisions provide a different procedure from that which, according to article 232, must be followed when the Secretariat itself acts ex oficio; in the latter case, some of the declarations contained in article 229 must be made, a procedure which is reduced to notifying the party presumed to be affected, ex oficio, of the reasons and legal bases for the action which is intended and to give to said affected party the considerations and evidence believed relevant. [Sic] This being so, if the Secretariat must declare ex oficio the nullity of a mark, it cannot be expected that the Secretariat itself will pay the study and examination fees that are paid to interested third parties; nor is there need for it to send in duplicate the written document in which it states the

reasons for the declaration of nullity, because this is only necessary when the action is initiated by a third party in order that the Secretariat may hold the original of the petition and send the copy to the party affected, but when it is the Secretariat itself that is initiating the action, there is no reason for drawing up the Notice containing such statements in duplicate, since a copy of the original sent to the affected party remains in the file. All the foregoing makes it perfectly plain that the mandate contained in article 232, in accordance with which the reasons for action are made known to the affected party "in the manner provided for" does not mean and cannot mean that the Notice must be in duplicate, nor that it must be accompanied by documents and evidence supporting the action, since these last, in a case where the Secretariat acts ex oficio to declare the nullity, would have to be removed from the files themselves in order to be sent to the affected party; whereas, when the action is initiated by a private party, it is perfectly obvious that the latter must exhibit the documents upon which he bases his suit, since these must be entered in the administrative file of the Secretariat, in order that the defendant may acquaint himself with them, as article 230, just cited, requires. Therefore, the "manner provided for" can only mean that having reference to the Notice containing the reasons for the declaration of nullity, as is obvious from the text of article 232; because if that article had intended to refer to the manner provided for in articles 229 and 230, it would have said so.—But even with the widest interpretation article 229 does not require that the affected party be sent the documents on which the plaintiff founds his action of nullity, since the requirement that such documents accompany a petition is only for the purpose of getting such documents on file, and in order that the affected party may acquaint himself with them; but this may be done by the affected party himself when the nullification action is initiated ex officio by the Secretariat, so that no injury will inure to the complainant, who has

not otherwise shown that he was denied access to the file, as he says, for the purpose of informing himself about the evidence on which the Secretariat based its action to declare the nullity of the complainant's mark. Therefore, the first allegation of violation is unfounded."

B).—It is alleged in this first allegation of violation, that the guarantee of a hearing was not duly satisfied, which is not true, since article 14 of the Constitution, which provides for said guarantee, was complied with by the responsible authority. In effect, the guarantee of a hearing is composed, according to the terms of article 14 of the Constitution, of four specific guarantees, necessarily concurrent, which are: suit brought prior to the deprivation of rights; said suit must be brought in courts previously established; said suit must be carried out in accordance with the essential procedural formalities governed by laws already in existence; and the circumstance giving rise to the suit must likewise be judged by laws already in existence at the time it came about. Of these four guarantees, the first two are not mentioned in the allegation of violation that we are examining, and it is evident that these guarantees were not violated, since suit was brought before courts already established. The complainant refers to the third of the guarantees, that is, that guarantee requiring compliance with essential procedural formalities. In order to know whether said violation exists we must study what is meant by essential procedural formalities. In any proceeding, which provides a mode of action prior to the acts of deprivation, there must be observed or complied with the essential procedural formalities, the reason for which lies in the very nature of all proceedings in which a jurisdictional function operates, that is, in which it is sought to resolve a legal dispute, whether this arises from the exercise of the respective defense by the party presumed to be affected, or whether the case is one in which no opposition is formulated (suits and proceedings in default); with the understanding that said func-

tion is necessarily carried out when it concerns an act of deprivation. The decision of a juridical dispute imposes the inescapable necessity of understanding the dispute and in order that the deciding organ (the court previously established) have real and true understanding of the dispute, the parties must state their intentions. Thus, the authority that will control said dispute, that is to say, that will decide it, must have the ineluctable obligation, inherent in every jurisdictional function, of granting an opportunity for defense in order that the person who would otherwise be the victim of an act of deprivation may present his opposition to said act. All procedure, whatever the adjective that may be attached to it, civil, criminal or administrative, according to the matters it governs, has this principal function of notifying the party affected of the demands made by a private party or by the authorities, as the case may be, which may lead to deprivation of his rights. Furthermore, since every jurisdictional resolution must state the right in a legal dispute, basing itself on truth or reality, it not being sufficient that the controversy be merely joined (litigated in the judicial sense), through the formulation of the opposition of the party presumed to be affected, it is necessary that the latter be granted a second opportunity, as the procedure unfolds, that is, the opportunity to prove the facts on which he bases his opposition (opportunity to present evidence). In conclusion, since on informing the complainant of the initiation of the proceeding, the responsible authority stated the place where the evidence may be found and set a period within which reply must be made to the petition, that is, Notice 25194, by means of which notice was given of the initiation of the proceeding, and the complainant was given the opportunity to bring forward his own evidence, the requirements of the guarantee of a hearing were satisfied, since the complainant was given the two opportunities for defense and presentation of evidence; there being therefore no violation of article 14 of the Con-

stitution, as a consequence, the allegation of violation under discussion is unfounded and the protection sought cannot be granted. Finally, the controlling portion of the resolution complained of should be transcribed here, because in this resolution the Secretariat of Economy resolves the problem contained in this complaint: ". . . Upon the matter in particular, this Secretariat is of the opinion that there is no provision in the Law on Industrial Property which requires that the notice to which article 232 refers must contain all the formalities of a petition of a judicial character. On the contrary, said article 232, in relation to article 230, specifically sets forth the requirements which must be characteristically in the notice, in order for such to have effect. The rules of this particular procedure, like those governing the procedure for issuing all administrative declarations having reference to industrial property, are very simple. If the matter is concerned with a petition for a declaration of nullity initiated by means of a petition of a private party, upon the presentation of the respective petition (article 229), following notification of the petition to the owner of the mark which is to be nullified (article 230), and when reply has been made to such notification, at the end of the period in which objections may be formulated, study must then be made of the matter for the purpose of issuing the administrative resolution called for. (art. 233.) If the matter is concerned, as in the instant case (art. 232) with the nullity of a mark when the Secretariat believes it proper to declare such nullity, ex officio, it is sufficient that the party presumed to be affected be notified that the proceeding is to be initiated to declare such a nullity, indicating to him briefly the reasons and legal bases for the action which is intended, in order that the owner of the mark may have the opportunity to weigh the considerations and present evidence that he believes relevant, within the obligatory period indicated for such purpose. As is readily seen, the proceeding for the declaration of nullity of a mark in-

cludes only the petition, the notice, the reply and the study, when the proceedings are initiated as the result of a petition by a private party. When as in the instant case it is the Secretariat which is proceeding ex officio to formulate the declaration of nullity, the proceeding is even further simplified, since the petition is omitted, and the proceeding is initiated by the notice, continues with the reply and concludes with the study and decision of the matter. This procedure for the issuance of administrative declarations in matters concerned with industrial property, and more directly, with the intention to declare nullity ex officio with respect to a mark, this is fully in accord with constitutional provisions which require that the interested parties must be heard and that they may freely exercise their rights, giving them opportunities within the rules established by law to present every sort of evidence in support of their statements, in order that study of the disputed rights may lead to a well reasoned and sound decision. Now then, as has been pointed out above, article 232 of Title VI, "Procedure for Issuing Administrative Declarations", requires the following with regard to the ex officio declaration of nullity of a mark: When the Secretariat of Economy considers it proper, ex officio, to make any declaration included within the present Title, this fact shall be made known to the party presumed to be affected, in the manner provided for, indicating to him briefly the reasons and legal basis for the intended action, in order that he may have an opportunity to weigh the considerations and present the evidence that he may believe relevant, within the obligatory period indicated for the purpose." As may well be seen, the requirements of the Law are set forth which must be fulfilled by the notice that the Secretariat is obliged to give to the owner of the mark *sub judice*. Now, as concerns the owner of the mark to be nullified, the latter must comply with the provisions of the final part of the article cited as well as with the final part of article 230, in accordance with which a period is set in

accordance with the nature of the subject matter and with the distance to the town in which the owner of the mark lives, in order that he himself or his duly accredited representative may become acquainted with the evidence on which the nullity of the registration is based and within which period he will have to present in writing the objections or observations which he considers relevant. From the analysis of the legal provisions invoked it may be deduced that as far as the affected party is concerned the administrative procedure requires none of the requirements set forth by Mr. Sidney Steele in his written document of Dec. 13, 1950, which he refers to as "procedural outline for the whole petition." And if, as is shown by the text of the Notice of Nov. 22, 1950, in said document the reasons and legal principles which serve as a basis for this Secretariat in initiating the procedure of nullity are clearly and expressly indicated, and if, further, in the same document the owner of the mark is granted a period of thirty days in which he may weigh considerations and present evidence in his favor, within the period set, it must be concluded that this executive agency has completely satisfied the requirements which the law and preceding cases have established. Consequently, there is no legal basis for the petition made by Mr. Steele in the writing referred to, and what he asks for cannot be granted, that is, that the Secretariat give him notice of a petition with all the solemn formalities and ritual provided for by laws other than those on administrative matters, and it must be considered that such conduct is merely a subterfuge on the part of the interested party." All the arguments cited above lead to the conclusion that the complainant is not right in his allegation of a violation, because he does not justify the existence of the violations of the guarantees he alleges. (Third).—On formulating the second allegation of violation, the party bringing this *amparo* suit states the following: ". . . Second.—Furthermore, the Secretariat, in issuing its resolution on the nullity of the regis-

tration of mark number 33602 has done so in manifest violation of the provisions of article 202 of the Law on Industrial Property, which requires that in cases covered by the two preceding articles, the use of the marks shall be proved before the Secretariat of National Economy, within the period established for that purpose and which shall be not less than thirty days, by the rules of evidence permitted by the civil law, in accordance with which the value of the evidence will be determined. In effect, it is sufficient to read subparagraph B) of the Fifth Whereas Clause of the Resolution complained of, to understand that the responsible authority excused itself from complying with the provision referred to, on the ground that there is no reason for submitting the proceeding to nullify mark 33602 to the rules established by the Federal Code for Civil Procedure; in administrative matters, is not indispensable, nor is it necessary to carry out a suit with all the solemn formalities of judicial procedure, so long as the essential spirit of article 14 of the Constitution is complied with, that is, the opportunity is given to the interested parties to acquaint themselves wtih the reason for the proceeding and they are given the opportunity to make allegations and present evidence. The argument of the Secretariat to this effect is erroneous, because it lacks legal basis and as a matter of fact violates the Law on Industrial Property itself, which in article 202 requires that evidence presented regarding the use of marks must be subject to the rules of evidence in the civil law, which likewise means that the same law must govern in weighing the value of such evidence. In the instant case it is clear that said article should have been observed in regard to the provisions of the Federal Code of Civil Procedure governing matters of evidence, since that statute is applicable in regard to federal legislation such as that governing industrial property. Furthermore, the applicability of article 202 of the Law of Industrial Property cannot be denied, with regard to nullity of the "Bulova" mark, which is owned by my prin-

cipal, since that provision has mandatory effect in dealing with the provisions of the last part of Section V of article 200 of the same law, in accordance with article 202 cited, and because furthermore the second of the articles mentioned in that paragraph is the only one that goes to the substance, as may be seen from the text of the notice of initiation of the proceeding to declare nullity upon which the General Administrative Office for Industrial Property bases its action, as the bureau of the Secretariat of Economy charged with initiating proceedings to declare the nullity of marks registered in bad faith in the Registry of Marks. Consequently, when the Secretariat failed to respect the legal provision which requires that the evidence of the bad faith attributed to the applicant seeking to register the mark "Bulova" be such evidence as the civil law will admit, and that the value of such evidence be weighed by such law, the Secretariat violated the Federal Code of Civil Procedure, which in this matter is supplementary to the Law of Industrial Property; for article 198 of the Code provides that evidence presented in violation of the provisions contained in the articles making up title 4 of the Code itself, will have no legal weight whatever. Now then, the evidence used by the responsible authority on which to base its declaration of nullity of the mark owned by my principal and which was not within his knowledge for the purpose of the proceeding for nullity of his mark, were received and given weight in violation of the various provisions of the Code of Procedure invoked; they are described in detail below. In effect the total evidence on which the declaration of nullity rests consists of a certified and legalized copy of the record issued by the United States District Court for the Western District of Texas, San Antonio Division, referring to some, but not all, the questions which had been put to Mr. Sidney Steele with regard to a suit brought against him without success by the Bulova Watch Company, Inc., of New York, this being evidence which contained only a part of the proceed-

ings and only that part which would prejudice my principal, who was not given the chance of adding to it evidence of his own replies, since the responsible authority did not grant his request for an extension of the period for presentation of evidence, which was necessary in order to obtain the documents from abroad and have them duly legalized and translated. As such evidence is offered by the responsible authority in the controversy, which said authority has initiated, it is necessary to apply by analogy the provisions of article 134 of the Code of Procedure which have been invoked, in accordance with which my principal should have been granted the right to add documents he considered proper from related suit; this not having been permitted, it is unquestionable that the Secretariat violated said article and that said evidence fails of any legal value, in accordance with the provisions of article 198 of the statute cited. Other evidence used by the Secretariat to show bad faith on the part of the registrant of the mark belonging to my principal consists of two documents relating to printed or photostatic copies of contracts, which are said to have been executed by the "Bulova Watch Company, Inc.," with "The Biow Company", for advertising for the "Bulova" mark, over the radio broadcasting station XEQ of Ciudad Juarez; furthermore, the originals of these documents were not presented, they were drawn up in the English language and they were not accompanied by translations, thereby infringing the provisions of articles 136, 132 of the Code of Civil Procedure, since as it has already been said, these were mere copies of contracts said to have been executed, and besides this, opportunity was not given to see translations of said documents, for the purpose of scrutinizing such translations for corrections. The Secretariat says also that the bad faith in obtaining the national registration of the mark is shown in "the declarations of several jewelers in Mexico, produced for the purpose of showing that the "Bulova" mark was already known in the country prior

to the year 1933, when registration of mark 33602 was obtained, declarations which are in no way referred to in the resolution complained of, and which in any case are mere statements by third persons not parties to the suit, and it is not known who were the declarants, since their names are not given. Now, it is certain that the declarations of such witnesses and the reception of the evidence should have been made subject to the provisions of articles 167, 173, 175, 176, 177, 182, which does not appear to have been done; and therefore there has been no disclosure of evidence by witnesses during the proceeding carried out ex oficio by the responsible authority, in order to declare the nullity of mark 33602. As a consequence, since these requirements were not applied, the provisions of article 202 of the Law of Industrial Property were violated, and the resolution complained of is therefore in violation of article 16 of the Constitution, since there is no legal basis for the issuance of that document, since in the proceeding leading up to such issuance the essential procedural formalities were not complied with, in accordance with the laws previously enacted, so that as a result article 14 of the Constitution is likewise violated. Furthermore, if reference is made to declarations made by various jewel merchants before various notaries in the Capital and in the States, such evidence suffers from legal vice as regards its presentation, for even if the documents in which such declarations were made are unquestionable public documents, since they contain the statements of third persons sworn to in the presence of an official clothed with the public confidence, still this does not prove the truth of such declarations of such persons, as required by article 202 of the Federal Code of Civil Procedure. Therefore if the Secretariat has taken such evidence into account in express violation of the cited legal provision, as a consequence my principal has been injured through the infringment of the provisions of article 14 of the Constitution, as concerns the exact observance of the law applicable to the case.

And furthermore and as is apparent from the resolution complained of, the Secretariat seeks to support its declaration of nullity by referring to the registrations of the "Bulova" mark in other countries prior to registration in Mexico; a fact that has only been proved in regard to the United States of America, but which has not been proved in regard to other countries, as the responsible authority asserts, because it has not been proved that such registration was prior to that effected in Mexico, with respect to the "Bulova" mark, as likewise with the application made before the same authority for the publication of the commercial name of the Bulova Watch; these facts which together with those previously stated are basic to the proceeding for declaration of nullity initiated ex oficio by the Secretariat, have been discredited as concerns the nullity of the mark. Therefore, the facts referred to in the preceding paragraph being false, it follows that the resolution lacks legal and reasonable basis and therefore violates the guarantee provided for in article 16 of the Constitution, to the injury of my principal's rights . . ." A). In substance the argument contained in the second allegation of violation may be synthesized in the following terms: a).—Violation of article 202 of the Law of Industrial Property because the responsible authority—according to the complainant—did not comply with the rules of the Civil Procedural Law. b).—Violation of article 198 of the Federal Procedural Code, because the responsible authority gave weight to evidence which had not been accepted in accordance with said Code, according to the statements of Sidney Steele in his petition, through his attorney; c).—Violation of articles 198, 136, 132, 176, 173, 175, 176, 177 and 182 of the Federal Code of Civil Procedure, because evidentiary weight was given to the duly certified and legalized copy of depositions issued by the District Court of the United States for the Western District of Texas, San Antonio Division, to documents consisting of copies of contracts executed by the "Bulova Watch Com-

pany, Inc." with the "Biow Company" for advertising the "Bulova" mark over radio broadcasting station XEQ of Ciudad Juarez, and finally, to declarations of various jewelers, without these documents having been proved in accordance with article 202 of the Code of Civil Procedure. d).—Violation of article 202 of the Code of Civil Procedure, because evidentiary weight was given to evidence in contradiction to the provisions of said article. e).—Because, according to the complainant, the registrations of the "Bulova" mark in other countries, with the exception of the United States, were not proven. All these violations carry with them, according to the complainant's statements, the violation of articles 14 and 16 of the Constitution, because the Law applicable to the case was not complied with, nor were the essential procedural formalities complied with; and the resolution therefore lacks legal basis. The question having been stated in the manner required, we shall proceed to analyze the various points enumerated above. Article 202 of the Law of Industrial Property provides as follows: ". . . in the cases outlined in the two preceding articles, the use of marks shall be proved before the Secretariat of National Economy, within the period set for the purpose, which shall not be less than thirty days, in accordance with the rules of evidence admitted by the civil law, also in accordance with which the weight to be given to such evidence shall be judged." Now then, what this provision requires is: a).—Evidence in administrative proceedings is the same as that accepted by the Civil Law, and b).—this evidence must be qualified in accordance with said Civil Law. But this provision does not require that all and every one of the formalities of a civil proceeding be complied with, since on the one hand this would be impossible, given the very nature of the administative proceeding, and on the other, the authority which applies the Law of Industrial Property. [*sic*] The Secretariat of National Economy does not have within its power the same means as the judicial authority, to require

the execution of its decisions, for the very reason that has already been indicated, that is, because it is an administrative authority. Therefore, this provision must be interpreted in such a manner that the suitable rules will be applied in each case in accordance with the special nature of the proceeding as indicated by the Law of Industrial Property. In regard to the instant case the complainant says that the responsible authority did not comply with article 202 of the Law cited, that is to say, in subparagraph b) of the Fifth Whereas Clause of the resolution complained of, as follows: b).—As regards the considerations set forth in the second paragraph of the above-mentioned documents relative to the intention of the interested party to require the submission of this proceeding for declaration of nullity of mark 33602 to the rules established in the Federal Code of Civil Procedure, it is appropriate to reproduce here a portion of the Fourth Whereas Clause of said resolution: that in administrative matters it is not indispensable nor even necessary to carry out a suit with all the solemn formalities of civil judicial procedure, so long as the essential spirit of article 14 of the Constitution is complied with, that is, that opportunity is given to the interested parties to acquaint themselves with the reasons for the proceeding and opportunity is given to present allegations and evidence, and all this has been duly observed in the present proceeding. Also, as a consequence, Mr. Sidney Steele's statements lack foundation, when he says that it is impossible for him to attack the evidence of bad faith in the registration of the mark now sought to be nullified; because the proceeding carried out by this Secretariat has been carried out absolutely in conformity with the requirements of the procedure indicated by the administrative law, and these requirements, in their turn, are related to the principles and rules upheld not only in cases decided by the Supreme Court but also by the learned authority mentioned above, as pertinent to the particular case . . . This argument of the Secretariat

of Economy is correct, because it is evident that in proceedings before it not all the formalities of the civil law are necessary but only those requiring that evidence must be admitted and weighed in accordance with the civil law rules on evidence; for, this is not a civil suit brought before the Secretariat of Economy, but a special proceeding which is less formal and more simplified. For all the reasons above given, it follows that article 198 of the Federal Code of Civil Procedure is not applicable, and that therefore it is not necessary in an administrative proceeding to comply with all the formalities of civil procedure. Beyond the reasons given above there is the further consideration that every system of evidence consists of the following distinctly separate steps: a).—The presentation of the evidence; b).—The admission of the evidence; c).—The disclosure of the evidence; e).—The weighing of the evidence. Now then, article 202 of the Law of Industrial Property refers to the Federal Code of Civil Procedure regarding evidentiary matters only so far as concerns the admission and weighing of evidence, i.e., it declares that in order to prove the use of marks before the Secretariat of Economy, or as the case may be, to prove the facts on which nullification of the mark is to be based, evidence admissible in accordance with the requirements of the Procedural Code shall be admissible, and the weight to be given such evidence shall be judged by the rules of said Code, and all evidence admissible according to the Code is admissible in administrative proceedings and shall have the same weight as it would have in civil matters; but article 202 of the Law of Industrial Property is in no way related to the provisions of the Federal Code of Civil Procedure with respect to the disclosure or presentation of evidence, since no express reference is made to said Code in this regard, and therefore article 198 of the Procedural Code does not apply; since said article deals with questions of presentation and disclosure of evidence, to which no reference is made [in the Law on Industrial Property].

B.—As regards the evidence itself, the resolution complained of states that with respect to the documents containing the record of the suit brought in the District Court of the United States for the Western District of Texas, San Antonio Division, that this is a public document, since it emanates from public officials and is duly legalized by the Mexican consular authorities, by reason of which it constitutes full proof (articles 129, 131, and 202, second paragraph of the Federal Code of Civil Procedure), as follows: "The evidence contained in pages 601 *et seq.* of the file for mark 33602 consist of a certified and legalized copy of the record in the District Court of the United States for the Western District of Texas, San Antonio Division, which has been duly certified and legalized, leads to the conviction that when Mr. Sidney Steele, as manager and almost the only owner of the Sidney Steele Company, Inc., presented himself to register mark 33602, he already was aware of the existence of the "Bulova" mark. In effect, Mr. Steele expressly stated before said court that the mark in question was "open" in Mexico, meaning by "open" that it had not been registered in Mexico at the time when he came forward to apply for the protection given it by registration. This express declaration of Mr. Steele shows that he only intended to register the "Bulova" mark in order to take advantage of the reputation the mark had, abroad as well as in Mexico. From this same evidence it appears that Mr. Steele was well established in Mexico from 1925 to 1926, and from the rest of his express statement it must be presumed that he knew of the prestige enjoyed by the "Bulova" mark and that he intended to take advantage of such prestige, engaging in unfair competition by registering another's mark, causing injury to the legitimate owner of the mark, that is, the "Bulova Watch Company, Inc." of New York since the year 1924." Now then, the reasoning of the responsible authority is correct and this evidence must be taken into account as fundamental and essential, a fact that is recognized by the

complainant in the clause just analyzed. So far as concerns the objections raised to said evidence, these have already been studied by the responsible authority in the resolution complained of, in the statements made in the Third Whereas Clause, as follows: ". . . III. The considerations set forth in the administrative declaration number 24-950 are in the following tenor: "14th Antecedent: "By a writing dated Oct. 19 of the current year, Mr. Jorge Kessel Jasven came forward, presenting evidence to convince this Secretariat regarding the bad faith of Mr. Steele. Said evidence consists of a certified copy of judicial proceedings before the District Court of the United States for the Western District of Texas, San Antonio Division, referring to a suit brought by the Bulova Watch Inc., against Sidney Steele, Sofia Steele and S. Steele & Co., Inc., civil action number 1270, duly legalized and translated and the translation certified by the Secretary of Foreign Affairs. This was done with the knowledge of the plaintiff through notice 22702 of Oct. 25, granting a period to terminate on Nov. 10, of the present year, in order that he might present the allegations which appear appropriate to him, in connection with the evidence referred to, for which purpose a simple true copy of the same documnt was given to him." "From that document it appears that Mr. Sidney Steele, in 1925 or 1926 already knew about the "Bulova" watch and in 1933 registered that name, because, according to his own affirmation said mark was open and he applied for its registration, by "open" meaning that the mark was not registered and subsequently, Sidney Steele himself declares, he received watches with the name "Sidney" and placed the mark "Bulova" on them, whenever it suited his own interests and likewise removed the marks "Invicta" and "Seeland" from watches of Swiss origin and placed the name "Sidney" on the case whenever this was convenient, removed the marks above mentioned and replaced them with "Bulova", and to make the idea clearer still, indicated that "Sidney" watches and "Buloya" watches

were exactly the same, more or less.". "This evidence being made known to the plaintiff, he replied within the period granted to him for the purpose, which facts shall be duly noted in the margin of the pertinent portion of this resolution" . . . "As has already been stated in the last of the antecedents of this resolution, Mr. Kessel Jasven came forward to present documentary proof for the benefit of this Secretariat, which proof was accepted in accordance with the provisions of article 80 of the Federal Code of Civil Procedure; with respect to this evidence Mr. Sidney Steele declared: that the evidence had no relation to the suit and that it was therefore irrelevant; that the registration of his mark was at all times in accordance with the requirements of the Law of Industrial Property; that this evidence had been mutilated; that he had not been permitted to see the writing presented by the opposing party, in order to see in what manner and for what purpose the evidence was presented; that since this concerned evidence in the form of an admission, it must be completely rejected; that he had been deprived of the right of making additions to this evidence (but without indicating what such additions would have been) and that he had had no opportunity to make a comparison; and that, lastly, this was outside the cause at hand." "It is sufficient to say that the plaintiff's arguments are irrelevant for the following reasons: the evidence is not irrelevant as being outside the cause at hand, because one of the questions discussed was the defendants' application to have the nullity of the registration of Mr. Steele's mark administratively declared on the ground of bad faith in its obtaining; and in the second place, such evidence was not given inopportunely, since, as has been said, it was accepted as evidence and the plaintiff was given notice of it within a reasonable period, as appears from his own statement; the argument that the suit in which the abovementioned evidence belonged was rejected by the respective court does not invalidate the evidence, which includes matters that are very

useful in reaching a conclusion regarding Mr. Steele's bad faith; the allegation that such evidence has been mutilated has no legal basis, because such mutilation was not proven; it is not true that he was not permitted to see the opposing party's document, since in the first place Mr. Steele did not request to see it, but merely his representative did so, and in the second place, said representative had the file in his hands and said file was open and at the disposition of any person, as required by the Law of Industrial Property, and he was promptly given a simple copy of any document he requested, as I have said, which would be useful to his defense; as regards the affirmation that this concerns evidence that is in the nature of an admission, it must be made clear that in accordance with the most elementary principles, this refers to a public document, that is, to documents in a file, while an admission consists of an interrogation in which some one admits something to his detriment; and if in fact, as the plaintiff affirms, this evidence has reference to a separate suit, he himself has just confirmed the fact that in the instant case we are concerned with documentary evidence and not admissive evidence; as regards the question that he was deprived of the right of adding something, we shall proceed to indicate that this is not true, because he was given timely notice of the evidence and a period in which to make such additions as he considered relevant, but the fact that he made no additions leads to the presumption that such additions would not have been favorable to him; as concerns the question of comparing the document, if he considered this to be important, he could have requested it within the period granted for the purpose; and to say that the lacks value because he did not see it for the purpose of indicating additions is equally without legal basis, since it is obvious from the file that he knew of the evidence in good time and that he was given a period in which to make known other evidence, which he failed to do; and lastly, the final argument, which holds that this evidence is foreign to the

cause at hand, is neither valid nor logical, since as has been abundantly shown, from such evidence one must draw conclusions that have an immediate relation to the questions under consideration in the present controversy. Furthermore, such evidence must be considered by whosoever has the duty of resolving this controversy, in accordance with the provisions of article 80 of the Federal Code of Civil Procedure, supplementarily applicable by virtue of the general principles of the law governing marks, in order that he may arrive at a better understanding of the truth. In the light of all these considerations, the evidence must be accepted as worthy of consideration." This quotation shows that the complainant had the opportunity to object to the documentary evidence that we have just examined, and that he did not do so, to his injury. Another circumstance must be taken into account, as follows: all the evidence that the responsible authority had under examination and upon which it based the resolution attacked in this *amparo* suit, is to be found in the file of mark number 33602, belonging to the "Bulova" mark, it being well known to the complainant, among other matters, since he was party to the proceeding that culminated in the abovementioned resolution number 94, in which the declaration of the nullity of the cited mark was left pending, to be carried out in a separate proceeding, the resolution of which is here attacked. It must therefore be concluded that the violation alleged in regard to such documentary evidence does not exist, since the essential procedural formalities were complied with, that is, the opportunity was provided for the presentation of allegations, and evidence for their refutation. As concerns the other evidence that the Secretariat took into account in issuing the resolution complained of, the following statement appears therein: . . . "The other evidence related to this controversy is that showing the registration of the "Bulova" mark in the United States, as far back as the year 1924. This evidence, which also appears in the file of the mark under litigation, permits

the conclusion that, together with the evidence that has been examined in the preceding paragraphs, Mr. Sidney Steele, in acting in the name of the Sidney Steele & Company, Inc., did so with the deliberate intention of illegally appropriating a known mark, causing injury to the third party who is the owner of the mark, by taking his customers away from him . . . " This reasoning on the part of the authority is correct, without possible argument to the contrary, since furthermore the complainant offered no reasoning at all in contradiction of such evidence, but in fact admitted in his petition, in his very allegation of violation, that the registration of the mark in the United States could be proved. As regards the contracts executed by the Bulova Watch Company, Inc., with "The Biow Company", for advertising the "Bulova" mark, as is stated in the resolution complained of: " . . . The other evidence presented to the injury of the registrant of the mark number 33602 are the contracts executed by the "Bulova Watch Company Inc." with "The Biow Company" for advertising the "Bulova" mark on radio broadcasting station XEQ in Ciudad Juarez, Mexico, which appears from pages 256 of the file in the present cause. Said document shows that since the year 1931 the "Bulova" mark has been advertised in the Mexican Republic, and logically it may be concluded that Mr. Sidney Steele already knew the mark in 1933, two years later, and could not have proceeded except in bad faith, to declare himself the rightful owner of the mark . . . " Now then, said evidence does not appear in this record, and therefore cannot be analyzed, and furthermore the complainant has not proved his affirmations, i.e., that the originals were not exhibited nor translated. The third party injured presented one of these contracts or documents, which cannot be taken into consideration, since it is a photostatic copy, without authentication. Therefore, the affirmations and arguments of the responsible authority remain intact and the arguments of the complainant cannot be taken into ac-

count, since he has not proven the facts on which he bases himself, as I have already said. The remaining evidence, in the resolution may be analyzed in the following manner: " . . . On the other hand, there is other evidence in the file which, added to that already mentioned, tends to confirm the fact that the registration of mark 33602, in Mexico, was obtained in bad faith. The existence of the "Bulova Watch Company, Inc.", since the year 1911; the declarations of various jewellers long established in Mexico, offered for the purpose of showing that the "Bulova" mark was already known in the country prior to the year 1933, when the registration of mark 33602 was obtained; the certifications issued by the Secretariat of Industrial Property of the Swiss Confederation; the professional activity of Sidney Steele, as watchmaker, which legally and logically leads to the presumption that he knew, at the time he was applying for the registration in the name of the company that he represented, that he was taking undue advantage of the world prestige of said mark; all this evidence together with the circumstance that Steele neither offered not presented evidence to contradict the evidence that was admitted and considered, leads us to affirm conclusively that there was bad faith in obtaining the registration of mark 33602 . . . "; taken altogether as a group of presumptions, and given the weight indicated in article 218 of the Federal Code of Civil Procedure, and with the support of the remaining evidence, this evidence shows and proves the facts that the Secretariat of Economy had taken as proved and demonstrated, so that the complainant's arguments can not be valid; for it is not the Secretariat of Economy that gives full weight to this conjunction of evidence, but the evidence itself, because in bringing together the remaining evidence presented the facts alleged are confirmed, especially since the complainant has brought forward nothing to contradict such evidence. In conclusion this allegation of violation can not be declared to have foundation, since the violations alleged by the complainant

do not exist, and neither do those having reference to articles 14 and 16 of the Constitution. Beyond these considerations already stated, there must be taken into account the fact that the complainant, throughout this allegation of violation, just studied, confused the judicial procedure followed in the Federal Courts, with all the formalities that the Procedural Code requires, and the administrative procedure, with a specialized purpose (article 195 of the Law of Industrial Property) and a less formal procedure, arising from its special nature, in keeping with the nature of the agency that applies the law. Therefore, said confusion leads him to argue thus, in discussing the application of rules that are exclusively for judicial procedure, without considering the fact that the Secretariat of Economy complied with the essential principles of all procedure, that is, gave the defendant the opportunities that he should have to be heard in his own defense and to present the evidence that he considers relevant. As far as concerns the formalities that must surround the evidence on its admission, it is sufficient to say that there is no express reference in the Law on Industrial Property to the Federal Code of Civil Procedure; it would be impossible for the Secretariat of Economy to fulfill such formalities or to require the parties to fulfill them, among other things, because it does not have in its power the means of compelling obedience, nor is it organized like a court. In the widest possible understanding, the complainant presented no evidence at all that supported his affirmations, while the responsible authority and the third party injured presented evidence in this suit that showed that the Secretariat of Economy acted correctly in this proceeding. Finally, as concerns the matter referred to in the complainant's statement to the effect that he was not acquainted with the evidence, said statement is not correct, because all the evidence may be found in the file of mark number 33602 and he had been notified of it in the proceeding that culminated in the resolution complained of, as likewise in that which culminated in the

responsible authority's administrative declaration that the use of the mark "Bulova" was legal. The responsible authority says in its justified report: ". . . In the second allegation of violation it is alleged that there is a violation of article 202 of the Law of Industrial Property, which provides that, in cases referred to in articles 200 and 201, the use of marks shall be proved within the period set for that purpose, which shall not be less than thirty days, by the rules of evidence admitted by the Civil Law and in accordance with the weight given to such evidence by said law. The allegation is that said article is violated because, in accordance with the complainant's allegation, the Secretariat, in the resolution complained of, maintains that, in accordance with article 232 of the law itself, it is not necessary that all the formalities required by the Civil Procedural Law be complied with, it being sufficient to comply only with the provisions of article 232 itself. This allegation of violation is absolutely indefensible, since it is sufficient to read carefully the text of article 202 to be convinced that the latter in no manner whatever requires the Secretariat of Economy to carry out a suit with all the formalities required by civil procedure, but merely that, as regards the use of marks, all the evidence must be presented that is required by the civil law, in accordance with which such evidence must be weighed and qualified. In this respect it is pertinent to quote from pages 230 of Gabino Fraga's treatise on Administrative Law, where this learned authority says: "The guarantee granted by article 14 of the Constitution, concerning the necessity of prior judicial proceedings before citizens may be deprived of their property and rights, is complied with satisfactorily as regards administrative acts if the authority issuing or executing such acts has adhered strictly to the rules of procedure provided in the law, and has given the interested party a hearing and the opportunity to present evidence . . . ". Now then, the Secretariat adhered strictly to the provisions of article 232 of the Law of Industrial Property, in informing

the party presumed to be affected, (the complainant in this *amparo* suit), by means of a notice, of the reasons and legal bases for the action of nullity which it intended to take against his interests, in order that he would have the opportunity to weigh the considerations and present evidence that he considered relevant, within the period set for that purpose. Furthermore, no provision of the cited law requires the Secretariat, when it must act ex officio to declare the nullity of a mark, to proceed with such declaration in the manner required by the Civil Law for suits at law; besides, it would be impossible to say what would be the nature of the suit thus initiated, whether it would be an ordinary suit or a summary proceeding; which fact convincingly indicates that the Secretariat has no legal duty to proceed with the declaration of nullity of a mark in any manner other than that provided for by article 232 of the Law of Industrial Property. It is a different matter in regard to evidence and the weight to be given to such evidence, in complying with article 202 of the law; such evidence must be admitted and weighed in accordance with the rules provided by the Civil Law, which in no manner means that the rest of the procedure must pursue the formalities required for law suits by the Civil Law . . . "This argument of the responsible party is valid, as is also that presented by the third party in his allegations, which in the pertinent portion states: " . . . B).—The complainant in his petition recognizes that among the evidence which the Secretariat had under examination regarding the bad faith in the registration of mark 33602 there must be taken into account, as having very important and incontrovertible weight, that consisting of a certified and legalized copy of the record issued by the District Court of the United States for the Western District of Texas, San Antonio District, which contains an express confession on the part of Mr. Sidney Steele with respect to the bad faith shown in the registration of mark 33602. The representative of the complainant with incredible audacity falsely states that he

was not given the chance to add to said evidence, because he was not given time to present evidence, which in his opinion constitutes a violation of article 134 of the Federal Code of Civil Procedure. To demonstrate the incorrectness of that accusation, it is sufficient to read Notice number 22702 of Oct. 25, 1950, in which the Director of Industrial Property notified Mr. Sidney Steele of the presentation of the evidence cited (the certified copy of the proceedings in the San Antonio suit) and "hereby give you a period terminating on Nov. 10 next, within which you may make the allegations you consider necessary as regards said evidence, with the understanding that the evidence in question may be examined in the office of the Director during working hours and in the presence of the undersigned." The text of the cited document is evidence that the complainant was given the opportunity to object to said evidence and to add to it in the manner he considered relevant; but this assertion is amply supported by examination of the writing which on Nov. 9, 1950 the complainant himself presented to the Secretariat of Economy, saying in the first paragraph: "that your Notice 22702, addressed to Attorney Vicente MacGregor—as my representative—in which notice is given that Mr. George Kessel Jasven has come to your Office to present documentary evidence for your information is in my hands; said Notice grants me a period terminating on the 10th of the current month of November, in order that I may present matters I deem necessary with regard to said evidence. Having examined the evidence to which I refer, through my attorney, Attorney Carlos del Castillo, in your Office, I make the following statement: . . . " In four more pages the complainant sets forth in this document all the allegations he believed relevant, no mention being made in any part of the above-mentioned written petition of the period granted to him for the purpose of making additions to the evidence he has been allowed to examine. Consequently, the violations which in the complainant's opinion have been committed

in the action complained of, as regards the provisions of the Federal Code of Civil Procedure, because of the supposed impossibility of adding to the evidence in question, are real illusions. C.—With regard to the violations alleged by the complainant as concerns articles 132, 136, 167, 173, 175, 176, 177, and 182 of the Federal Code of Civil Procedure, because of the manner in which the responsible authority qualified the remaining evidence upon which it based the issuance of the resolution of nullity, the complainant holding that it is necessary to submit the administrative proceeding to the rules of the Federal Code of Civil Procedure, when the Law on the subject provides a special, simple, administrative, non-judicial procedure, it is obvious from the considerations already stated in refuting the first allegation of violation that these are likewise unfounded and not in order. Lastly, the complainant's statement to the effect that the facts which the responsible authority considers indicative of bad faith in the registration of mark 33602 are false, can easily be discredited by the District Court through a simple examination of the evidence described in the following paragraph . . . "In conclusion, the protection requested cannot be granted, since it is founded on this allegation of violation and the violations alleged by the complainant have not been shown. (Four).—In the last allegation of violation the complainant says: " . . . Third. The Secretariat upon weighing the evidence mentioned in the resolution, which I repeat was not made known to the owner of the mark during the proceeding nullifying the mark, has given to said evidence an evidentiary value other from that due it, drawing illogical conclusions from it, since in order to determine that there was bad faith in the registration in Mexico of the "Bulova" mark the Secretariat concludes from the fact that Sidney Steele knew of the existence of the mark in the United States of North America, when it was as yet not registered here, that the presumption must be that such registration was obtained for the sole purpose of taking advantage of the

wide recognition of said mark in Mexico and abroad. This is a statement which is unfounded and reckless, especially when the alleged wide recognition of the mark in Mexico had not been proved, nor had such recognition abroad been proved, which in any event would have no legal effect so far as concerns registration in Mexico. But even knowledge of the existence of the mark abroad does not prove that Mr. Steele knew that it was being used in Mexico prior to his registration; besides being absolutely false, such knowledge does not in fact support such a statement. For the rest, the statement made by the responsible authority in its resolution, to the effect that Mr. Sidney Steele sought to benefit illegally on obtaining the registration of the "Bulova" mark, which is said to have been used previously in the Republic, has no foundation at all: first, because in order that this be true it would be necessary first to prove that the registration was made deliberately to cause injury to third persons or with the intention of taking customers away from the owner and prior user of the mark, and second, that there was an intention illegally to appropriate a mark in prior use in the country; in the latter case, in a proceeding to prove the illegal use of the mark, my principal would only need to prove that such use was made for less than the minimum period required by article 99 of the Law of Industrial Property, that is, more than three years before the date of the registration of the mark by a third person. The responsible authority considers that evidence of the registration of the "Bulova" mark in the United States as far back as the year 1924 shows that Mr. Sidney Steele, in applying for registration of the mark in Mexico as representative of Sidney Steele & Company, Inc., did so with the deliberate intention of illegally appropriating a known mark, drawing away customers [from the owner]. No conclusion could be more absurd, for in reaching it, the preceding evidence is related to other evidence, which, as has been seen, is equally out of order so far as concerns the bad faith on the part of the registrant. The fact that the

mark had been registered in any country merely raises the supposition that the owner was only interested in protecting his mark in the domestic market, since rights arising from such registration would only be recognized within the jurisdiction within which they had been granted. Evidence of the preceding is that the registration of the mark in Switzerland was sought a long time afterward, when, it had already been registered by a third party in Mexico. Therefore it is not valid to consider that there was bad faith on the part of the applicant for registration in Mexico, if said mark was not in use in Mexico prior to such application, because even supposing that the statement that it was in prior use in Mexico is correct, this does not prove the use of said mark with reference to watches, that is, the effective commercial use of the mark. The fact remains that no evidence is shown of commercial transactions carried out prior to its registration by Sidney Steele. The Secretariat persists in considering that my principal acted in bad faith on applying for registration of the mark in the name of the company he represented, because he sought to take undue advantage of the world prestige of said mark; this is a statement that rests on no evidence at all, since there is nothing to prove the world prestige attributed to said mark and, on the contrary, the registration of the mark in two foreign countries is shown, and such registration, in one of them, was obtained after the passage of considerable time after the first was applied for. From this then, the responsible authority concludes that the "Bulova" mark has world wide recognition. The responsible authority itself states in its resolution that, as has been proved in the controversy concerning illegal use initiated by Sidney Steele, the "Bulova" mark was used for more than thirty years by the "Bulova Watch Company, Inc." and its representatives in this country, a statement that also is not supported by effective and real evidence; if it is remembered that the mark was registered by the business house referred to in the United States of North

America in the year 1924, then the period of time alluded to by the Secretariat is still incomplete, the Secretariat thus in a surprising manner falsifying the facts. The Secretariat concludes its resolution stating that, since the mark had been extensively used and advertised since then and had circulated in many countries, among which Mexico is evidently included, the "Bulova Watch Company, Inc." had a legitimate interest not only in the United States of America, the place where the mark was first registered, but also in other countries where the mark was known. All the preceding is mere words on the part of the responsible authority, since, as neither the use nor the extensive advertising is proved, the fact that the mark is well-known, so it is said, in many countries, is not proved; nor is indication made regarding which are the countries where the mark is known; because the fact of the registration of said mark in the United States of America and in Switzerland does not presuppose necessarily that said mark is well-known by the buying public. It is evident then that the Secretariat not only gave undue weight to the evidence on which it based its resolution, it also, in a manner entirely inexplicable, falsified and invented facts, since there is no evidence on which to rest its statements. In conclusion, it presumes in its own resolution to attack the owner of the registration in Mexico, forbidding him to engage in the sale of "Bulova" watches in the Mexican market and furthermore invoking the consequences provided for in the Mexican civil and penal law with regard to illegal users of marks; all this for the purpose of demonstrating his alleged bad faith. All the preceding is entirely false, because the responsible authority cannot deny that Mr. Sidney Steele traded in "Bulova" watches, that is, that he made use of his mark. It might have been possible to believe the contrary, if he had not used his mark, in which case it might be assumed that he only attempted to block access to the Mexican market by a competitor. Now, as regards the declaration of illegal use and the

threat of civil and penal consequences applicable to those who use a mark without right, these rights are established in the Law on Industrial Property and cannot be renounced by the owner of a mark nor can the exercise of such rights give rise to the supposition of bad faith on the part of the owner. In analyzing the considerations formulated by the Secretariat in the resoluton that gave rise to this *amparo* suit, it is evident that such resolution is lacking in due motive and therefore that the legal provisions on which it is founded are not applicable in the case where the action of the responsible authority is in violation of the guarantee provided for in article 16 of our Magna Charta; and that therefore the granting of protection by the Federal Courts to my principal, Mr. Sidney Steele, against the actions complained of, is in order . . ." The preceding arguments are no more than the corollary of those set forth in the first two allegations of violation. In effect; the complainant says that he was not given the evidence and that this evidence was given weight in an illogical manner. These points have already been refuted in the preceding considerations; nevertheless, the fact must be taken into account that among the evidence the Secretariat of Economy had under examination in issuing its resolution was the record of the suit brought in the State of Texas, which as has been indicated was duly translated and legalized; and it appears from that record that the complainant acted in bad faith in using and registering the "Bulova" mark, which was the property of the "Bulova Watch Company, Inc." Furthermore, there are in that record public documents, originating also in the District Court of the United States for the Western District of Texas, San Antonio Division, from which it appears that the "Bulova" mark, applied to watches, had been circulated in Spanish, years before it was registered by the present complainant. (It should be pointed out that said documents are public documents, since they originated with public officials, and are duly translated and legalized.

which gives them full weight in accordance with articles 129, 131, and 202 of the Federal Code of Civil Procedure, taking also into account the fact that the statements contained in them speak for themselves) . . . With respect to the statement that the Secretariat takes as proved something which has not been proved, there must be taken into account the fact that, if the evidence presented in that suit shows bad faith (evidence originating in the administrative controversy), and the complainant in his turn fails to demonstrate any of his statements, then the evidence presented tends to refute the facts on which the petition is based.—With the widest interpretation, and independently of the reasons alleged in the preceding considerations and in this present consideration, the thesis presented in cause number 1100, in the Appendix to Volume XCVII of the Judicial Weekly of the Federation, should be applied, which states the following: ". . . Federal Courts.—The federal courts are not the revisors of the acts of the common authority; they cannot legally, not even through the medium of the *amparo* suit, substitute their discretional opinion for that of the authorities of the common forum, but may only examine the acts complained of to see whether or not such acts violate the constitutional guarantees . . ."; in the light of this statement, the responsible authority gave proper weight to the evidence and formulated conclusions, in accordance with its own opinion of such evidence, and in bringing such evidence together, reached an opinion which cannot be revised by the Federal Judge, since the acts complained of and the facts upon which they were based are constitutional. In conclusion, this allegation of violation must be rejected, because the undersigned cannot substitute his discretional opinion and his subjective reasoning for the opinion and subjective reasoning of the responsible authority. This whole allegation of violation, that is, the argument contained in it, revolves around the value given to the evidence and the conclusions derived from such evidence, especially with respect to the bad faith of the com-

plainant. Now then, the complainant made no reference to the contents of the evidence, which was what the Secretariat took into account in its resolution, although he many times referred to documents originating in the United States, by means of which his bad faith was clearly demonstrated, especially as several years before the complainant registered his mark in Mexico this mark was registered in the United States, a circumstance known to the complainant, considering his trade as watchmaker, or better, his professional activity in that branch of industry. One other argument should be mentioned and that is, when the complainant requested the Secretariat of Economy to declare the illegal use of the "Bulova" mark, it was because this mark was used in Mexico, which corroborates the inconsistency in his argument. Lastly, it has been seen that the evidence referred to in the resolution complained of really proves what it sought to show, the conclusions being reached from it quite logically; I refer here on this point to what I have said in the preceding considerations.—4o.—Not accepting the preceding resolution, the complainant sought review, which was granted to him and in which he states in resumé the following as injuries (agravios): I. ". . . the present statement of injuries will have for its object to insist on the allegations of violation set forth in the petition of *amparo*, for the purpose of having the reviewing High Court revoke the beforementioned proceeding complained of and grant the protection of the Federal Courts." The first injury is the confirmation [by the lower court] in the suit appealed from, of the administrative proceeding of the responsible Secretariat, which violates the right to a hearing provided for in article 14 of the Constitution, to the complainant's injury; said guarantee requiring the authorities to comply with the essential procedural formalities, when the property, ownership, or rights of an individual are affected. The problem may be stated in a dual aspect: the authority must give a hearing to whomsoever may be affected by the proceeding before

said proceeding is initiated, a hearing that must be carried out in accordance with established procedure. The guartee of a hearing must be full and sufficient, not only so that the person summoned may know that the proceeding is initiated, but also in order that he may acquaint himself with the causes, reasons or bases of the claim, so that he may reply and present evidence he considers necessary in his case to discredit the facts on which the action brought against him is based. The right of defense is only possible if the interested party is informed of the terms of the action taken in derogation of his interests, and consequently, the right of a hearing, in which the interested person is informed that he will be heard and that action has been taken contrary to his interests, is not sufficient of itself, but must be accompanied by a statement of all the facts on which such action is based, together with the legal bases for said proceeding, and he must be given an opportunity to exercise his right of defense. In order to prove that the responsible authority and the District Judge both denied that the said allegation of violation had any importance in the petition, the following considerations are enough: 1.—The responsible Secretariat sent the complainant the communication here transcribed . . . (reference is made to annex number 1, which appears in the exhibits, that is, Notice number 25194 addressed by said authority to the complainant), and from said communication it appears that said authority gave notice to the complainant of the intitiation of the proceedings to declare ex oficio the nuility of mark 33602, called "Bulova", basing this on the contents of section V of article 200 of the Law on Industrial Property, and using as a basis matters considered in a separate proceeding, citing administrative declaration number 94, and concluding that from the evidence presented in said controversy it was obvious that the mark was already known in Mexico before 1933. Such were the bases in fact and in law, on which the proceeding was initiated that had for its object the declaration of the null-

ity of the mark which the responsible authority itself had registered in favor of the complainant. No obstacle was presented by the fact that the authority had carried out all the proceedings for the registration of the said mark, nor that the complainant had rights sanctioned by the said Secretariat, nor that said Secretariat had been led to initiate proceedings to declare the nullity of the mark, with all the requirements of a hearing, on the ground of bad faith in the registration, because of the conclusion it had reached in a separate proceeding which was not concerned with such bad faith. The responsible authority confused the nullity proceeding, which requires a jurisdictional proceeding for the administrative action of revocation; and consequently, the said allegation of violation is in order, in regard to the fact that the requirements of articles 229, 230 and 232 of the Law on Industrial Property were not complied with, since the reasons why the Secretariat proceeded to declare such nullity were not clearly set forth, it being insufficient to say that the cause was the bad faith in obtaining the registration; it is also necessary that a statement be made describing what the bad faith consists of and who knew the mark and what evidence was accepted in the proceeding, and also giving due importance to the principle of law that requires the persons stating a fact to prove it. In the instant case, the document containing the summons made no reference to any evidence, except that the responsible authority stated that, in view of the considerations set forth in administrative declaration number 94, it had concluded that the mark was already known in the Mexican Republic before registration. The notice referred to practically contains a resolution of the question presented for discussion, making it unnecessary to continue with the proceeding, it being indicated in this Notice that the complainant would have a period of time within which to weigh the considerations he believed relevant and to present the evidence in his favor. The Judge in the Second Whereas Clause, on analyzing the foregoing

allegations of violation, declared that the responsible authority complied with article 232 of the applicable Law, since said authority indicated section V of the article 200 of the cited law as the legal basis for the initiation of its proceeding, as well as the reasons for its action, indicating also the evidence presented in the proceeding already concluded by Notice 24844 of Nov. 16, 1950. This is not correct, because section V of article 200 of the Law invoked only indicates the procedural basis for initiating such proceeding, but it cannot be said that it refers to the legal basis for the question under discussion; therefore, as concerns the basis and motivation of the petition for nullity, the Notice does not contain more than a statement that the mark registered in favor of the complainant is null because such mark was known before such registration, this being a fact that the responsible authority must prove in the new proceeding; the result being that the judge incorrectly declared that the reasons on which the Secretariat based its action are apparent in the third paragraph of the said Notice. The responsible authority, which undertook to act ex oficio, on notifying the complainant of the terms of the petition for nullity, should have made a brief but complete statement of the facts, as is required by article 232, supporting each fact with the evidence that was in its hands, which should have been added to the file, if such evidence consisted of instruments or documents, and if it consisted of the opinions of expert witnesses, or was of any other nature, such evidence should have been offered in accordance with the requirements of the applicable law. It is, for instance, not correct to say that testimony presented in a separate proceeding has evidentiary weight in another proceeding. The judge's statement that the complainant was given an opportunity to defend his interests, because he was given a period of time in which to offer evidence, was not accurate, because if he did not have knowledge of the facts on which the action for nullity was based and reference was made to a proceeding where

questions other than those concerning such action for nullity were considered, and if every petition must be coherently made in order that the defendant may defend himself, then it is not proper to say that the notice given by the responsible authority was sufficient and legal to begin a proceeding of nullity, with the constitutional requirements of a hearing and the application of the essential rules of procedure; consequently, the judge did not correctly weigh the respective allegation of violation and the first portion of the documents complained of, and for this reason the resolution complained of must be revoked and protection granted to the complainant. Furthermore, the judge based himself on the statements made by the responsible authority in its justified report, to the effect that said authority did not need to comply with the requirements of articles 229 and 230 of the applicable law; and said it is sufficient to read article 232, which makes reference to the "manner provided for", to see that this cannot be other than that indicated by the preceding provisions, it being absurd that the responsible authority be required to pay the fees indicated there; and held further that "the manner provided for", referred to in article 232, must be interpreted to mean that the initial document must have appended to it the documents on which the proceeding is based, in accordance with article 229. The requirement that the responsible authority could and should have complied with, was the requirement established by article 232; that is, in cases where the authority acts ex oficio, the notice to the party presumed to be affected should have been made in "the manner provided for"; therefore, the authority should have sent its notice, together with certified copies of the respective evidence, in order that the defendant could, within the period granted, produce his answer and offer evidence he considered relevant, it being inadmissible that an administrative authority in undertaking proceedings should ayoid observance of the constitutional principles of every petition and the fulfilment of

essential procedural formalities. The statement of the responsible authority, that it never prevented the complainant from having access to the file, does not cure the omission in the initial document summoning him; as a consequence, the said allegation of violation must be considered to be well founded for the purpose of granting protection to the complainant, and since the judge did not so hold, his decision must be revoked and the protection requested, granted.—2.—In the Second Whereas Clause itself, subparagraph B), the judge studied the whole matter of the hearing, and it is obvious from his argument that his conclusions in denying the protection were false. The responsible Secretariat did not carry on a suit for the purpose of depriving the complainant of rights he had acquired and did not act within its jurisdictional powers, but simply revoked its prior registration, and, on informing the complainant of this fact, only gave an apparently constitutional aspect to its action; the fact that a suit was not carried on for the purpose of determining the nullity is important with regard to the guarantees contained in article 14 of the Constitution. It cannot be said that the sending of a Notice to the complainant, informing him of the initiation of a proceeding to declare null the registration of a mark because of bad faith in such registration, constitutes the initiation of a suit at law; nor that the fact that a period is granted to the defendant to oppose such proceeding and present evidence is compliance with the constitutional requirement. Even accepting for the purposes of argument the idea that the Notice met all the requirements of an administrative petition, the rest of the proceeding has nothing of the character of a judicial suit. In effect, the period provided for the presentation of evidence is only for the purpose of allowing the person presumed to be affected to present evidence he considers relevant in refuting the statement of the responsible authority, which otherwise might be taken as true. On the other hand, by a suit at law must be understood all proceedings the object of

which is to clarify legal controversies, among two or more parties; in the instant case the responsible authority acted as if the situation were one in which the suit was clear and the legal truth needed no proof, and only granted the defendant an opportunity to deny such presumed truth, the authority being in no way preoccupied with a constitutional provision article 14). The judge indicates that the decision of a legal dispute imposes the inescapable necessity of knowing what the dispute is and that in order that the deciding body have a real and true understanding of the dispute, it is necessary that the defendant make his intentions known (this being the reason that the authority has the duty, inherent in all jurisdictional functions, of granting an opportunity for defense); he concludes that all systems regulating the jurisdictional function must provide an opportunity for defense or opposition, and an opportunity for the party presumed to be affected to prove the facts upon which he bases his opposition. This correct reasoning is contradicted by the conclusions of the decision, since it appears that the judge was preoccupied with the belief that the affected party had had an opportunity to present his defense and his evidence, forgetting that in order to do this, he should have been pre nted with a brief but complete statement of the facts on which the authority based its action, whether these were self-evident or needed proof. The responsible Secretariat confused or forgot its role in an administrative proceeding; because in such a proceeding ex oficio, it has a double role, that of plaintiff and of judge. The moment in the proceedings when it acted as judge it closed the proceeding, resolving it on the basis of the evidence presented. At all other times during the proceedings prior to that mentioned above, the authority must sustain its part as plaintiff and as such, was obliged to comply with all the essential procedural formalities, through the presentation of a petition in due form, in accordance with articles 229, 230 and 232, in which evidence is offered, and disclosure is made of such

evidence, followed by pleadings and sentence. There was nothing of this in the proceeding, which did not fulfil the guarantees in article 14 of the Constitution, because the laws in effect prior to the event were not respected. In answer to the statement of the responsible authority in its declaration of nullity, that there was no provision in the Law on Industrial Property requiring that the notice referred to in article 232 meet all the requirements of a judicial petition, it is sufficient to point out that the cited article of the constitution requires that in every proceeding the essential formalities must be complied with, regardless of the procedure set up in a particular law. The responsible Secretariat attempted to differentiate, for the purposes of compliance with the essential formalities of every proceeding, between a suit initiated by petition of a private party, in which the necessity for a reply and a period for the presentation of evidence is recognized, and an ex oficio proceeding; the complainant's views on the duties of the authority as a party have already been stated. Therefore the statement to the effect that the Law of Industrial Property, in cases where the Secretariat proceeds ex oficio, does not require a petition and that the proceeding is initiated with the notice, continues with the reply and concludes with the study and decision of the matter, is incorrect.—II. In the Third Whereas Clause, the Judge analyzes the second allegation of violation, regarding article 202 of the Law of Industrial Property, a provision from which it appears that the Secretariat of Economy is obliged to apply the Civil Law, that is, the Federal Code of Civil Procedure, to the presentation and weighing of evidence. Said article 202, in regard to the fact that the Law of Industrial Property does not contain any provision bearing on this point, to make good this lacuna refers to the Civil Law; the legal provisions of the Chapter on Administrative Procedure of the Law on Industrial Property must be interpreted within a logical system, and therefore the relationship between these provisions and article

202, is evident; if the responsible authority does not respect the system of the presentation and disclosure of evidence provided by the Code referred to, it must be concluded that article 14 of the constitution has not been complied with, since the essential procedural formalities have not been fulfilled, in accordance with the laws issued prior to the fact, among them the Code referred to. Article 202, section V of the Law of Industrial Property refers to cases of error, inadvertence or differences in value on the part of the authority granting registration of a mark, which encroaches on another prior registration; this provision gives the Secretariat the power of acting ex oficio or on petition of a private party; it provides that the nullity of a mark based on bad faith in registration "may be claimed at any time," although it is only the party whose registration is affected who may claim such nullity.—The preceding being true, considering the remaining arguments in the decision appealed from, and upon the basis of the fact, which is not accepted, that the administrative proceeding was properly carried out ex oficio by the responsible authority, the resolution of the latter violates article 198 of the Federal Code of Civil Procedure, since the evidence presented in violation of the provisions contained in Title 4 of the Code itself has no value. The evidence that serves as a basis for the declaration by the responsible authority of the nullity of the "Bulova" mark was not presented nor disclosed in the suit, and through its being given weight in the decision, the provisions of the Code cited are violated. And further, what the petition for amparo shows must be emphasized, as follows: 1.—The certified and legalized copy of the record issued by the United States District Court for the Western District of Texas, San Antonio Division, with reference to some, but not all, of the questions that were put to the complainant in a suit brought against him by the Bulova Watch Inc., of New York, have no evidentiary value, according to article 203 of the Federal Code of Civil Procedure, and

furthermore no opportunity was given for him to object and add evidence, in accordance with article 142 of the Code itself. 2.—The documents containing printed or photostatic copies of contracts executed by the Bulova Watch Inc. with "The Blow Co." for advertising of the "Bulova" mark over radio broadcasting station XEQ of Ciudad Juarez, do not meet the requirements of articles 132 and 136 of the Codigo referred to, in connection with article 132 of the said Code. 3.—The declarations of various jewellers in Mexico, to the effect that the "Bulova" mark was known in the country before 1933, when said mark number 33602 was registered, are statements of third persons not parties to the suit, whose names are unknown, and who could not be cross-examined; and therefore such evidence violates articles 167, 173, 175, 176, 177, and 182 of the applicable Federal Code, and article 202 of the Law on Industrial Property. 4.—The registrations made of the "Bulova", mark indicated by the authority, which have been obtained in various countries, were not proved, nor the fact that these were prior to the Mexican registration, and if the evidence upon which the administrative resolution was based was not known to the complainant, the proceeding lacks legal basis and motivation, in violation of article 16 of the Constitution. With respect to the inconsistency in the decision appealed from, the argument contained in it contrary to the second allegation of violation must be taken into account, for this indicates that article 202 of the Law of Industrial Property only requires that evidence admitted in administrative proceedings must be the same as evidence admitted by the Civil Law, a thesis difficult to sustain, unless the judge intended to resort to the oath or to any means of proof not recognized in our law, as useless or not creditable. The truth is that article 202 could not refer to anything other than the application of the Procedural Code to matters of evidence; the judge recognizes the fact that said code must be applied in weighing such evidence, but he states that said provision does

not require that all and every one of the formalities of civil procedure must be complied with, since, on the one hand, this would be impossible because of the nature of the administrative proceeding, and, on the other, because the Secretariat of National Economy, which applies the Law of Industrial Property, does not have in its power the same means as the judicial authority to compel its determinations to be complied with, since it is an administrative authority. The preceding statement is inadmissible, it being sufficient to say that we cannot accept the idea that an administrative authority, because it is an administrative authority, may arbitrarily receive evidence, in accordance with its powers and the capacities of its officials, without this also signifying that the responsible Secretariat must observe in the proceeding all the requirements of a civil suit; or that merely because administrative causes are more expeditious, that it may fail to observe the essential rules of procedure and those governing the presentation and disclosure of evidence, in accordance with the applicable Procedural Civil Law, as required by the article 202 of the Law governing the subject. The resolution complained of analyses the various steps of the period provided for the presentation of evidence, considering that article 202 of the Law of Industrial Property makes reference to the Federal Code of Civil Procedure only as regards the admission and weighing of evidence. With regard to the admission of such evidence, this is only considered with regard to the defendant, for the responsible authority overlooks its role as the plaintiff and the fact that, as such, it is required to prove its action, and rejects the application of the Code to the presentation and disclosure of evidence; subsequently, the decision weighs the evidence, giving full weight to the declaration made by the complainant before the United States District Court of America, to the effect that the "Bulova" mark was open in Mexico, inferring in its argument that the complainant proposed to register the mark for the purpose of taking

advantage of the circulation of the mark in Mexico and abroad. This evidence has already been objected to, but in neither the conclusions of the responsible Secretariat nor in the court decisions confirming them is any bad faith proved since the word "open" merely means that the mark was not registered in Mexico and that it could be registered by whomsoever had the right to it. The declaration of Mr. Jorge Kessel Jassven, presenting a certified copy of the judicial record, does not meet the procedural requirements as regards evidence, because the complainant had no opportunity to object to it. Said evidence was offered as supervening and the responsible Secretariat admitted it in accordance with article 80 of the Federal code referred to, which implies a contradiction in the decision appealed from; because as regards the presentation of the remaining evidence, it said that this Statute should not be applied, but only as regards the evidence described. Besides, the complainant could not add to that evidence during the proceedng; it remained therefore unanswered; the evidence itself was not disclosed in this proceeding, but in a separate proceeding. The remaining arguments are a series of presumptions which are given evidentiary value without legal basis. In the Fourth Whereas Clause the decision appealed from studies the third allegation of violation, which consist of the fact that: the responsible Secretariat in giving weight to the remaining evidence mentioned in the resolution and which was not made known to the owner of the mark during the administrative proceeding, did so by giving it a value not due it since in order to show that there was bad faith in the registration of the "Bulova" mark the Secretariat states that the complainant knew of the existence of the mark in the United States of America, when such mark was still not registered in Mexico, from which it must be inferred that said registration was obtained for the purpose of taking advantage of the circulation enjoyed by such mark abroad and here. The Secretariat in holding the proceeding, took it as proven

that the said mark already had such circulation and had been used before its registration. From the evidence upon which the Judge based his decision such circulation does not appear nor the use of the mark; therefore the statement of the responsible Secretariat, confirmed by the court decision appealed from, is without meaning, as regards the fact that the registration of the mark was obtained for the deliberate purpose of causing injury to a third party, or with the intention of drawing away profit from the owner of an accredited mark and illegally appropriating said profit. The court whose opinion is appealed from went too far in interpreting the complainant's actions, attempting to guess at his intentions when he applied for and obtained the registration of the "Bulova" mark by established legal means; on the contrary, according to what the petition says, the fact is that said mark had been registered in various countries but not here and therefore could be registered as being free, and as such was registered by the Secretariat. It has not been proved that the mark had been in use here and that the registration obtained by the complainant was obtained for the purpose of causing injury to third persons; but supposing for the purposes of argument that prior use in Mexico of the mark on the part of "Bulova" of New York, had been proved, section V of article 200 would not be applicable, to declare its nullity, since "Bulova" of New York and its licensees in Mexico, before 1933 or after three years, had not registered its mark, and therefore prior registration does not exist; in regard to which there could have been error, inadvertence or a difference in value produced by the bad faith of the registrant, because the international registration carried out in Switzerland subsequent to 1933 and that in New York prior to that date would have no effect here. Consequently, the requirement concerning the value to be given to the evidence was not complied with by the responsible Secretariat and the Judge should have seen that fact for the purpose of granting protection. Lastly, the judge cites

a decision of the Supreme Court on which to base the discretionary opinion of the responsible authority, indicating that it could not be set aside even in an *amparo* suit, the federal authority being limited to deciding whether or not the acts complained of were in violation of the individual's guarantees; nevertheless, he believes that the responsible Secretariat gave due weight to the evidence, sufficiently to establish the allegation of bad faith. Such an argument lacks weight, because the value to be given to this allegation, which serves as a basis for the declared nullity, should have been a consequence of the evidence presented in a legal manner and weighed in accordance with terms of the law, which was not done. 5o.—The Agent of the Federal Public Ministry named to intervene in this Docket, requests that the decision which is the subject of the appeal be affirmed on its proper and legal bases. WHEREAS: Sole paragraph.—The injuries [agravios] set forth by the appellant must be denied, since they do not contain the necessary requisites to be considered as true injuries, since in reality, if the allegations of violation set forth in the petition for protection of constitutional guarantees and the injuries adduced in the present instance are compared; it is obvious at once that in substance the injuries referred to are nothing more than a repetition of the allegations of violation mentioned.—Furthermore, in the same petition for review appears the statement that has been duly transcribed in the Fourth Clause of this decision, in which the complainant, through his representative, says: ". . . the express statement of injuries has as its purpose to emphasize the allegations of violation stated in the petition for *amparo* . . ."; consequently, (noting in passing that the statement of refusal to accept the decisions of governmental authorities is usually not made with reference to the lower court but in regard to the administrative resolution issued by the Secretariat of National Economy) it is clearly apparent from the text of the whereas clauses, according to the fourth paragraph of the decision of the lower

court, that these allegations of violation have already been analyzed and rejected as unfounded; the appellant has not expressed any arguments that effectively demonstrate the illegality of the considerations and arguments on which the decision of the Federal Judge was based, in declaring such allegations of violation unfounded, and now has repeated these allegations, "mutatis mutandis", in the form of injuries; and in the second place, the protection requested is denied on the ground that the unconstitutionality of the actions complained of in the petition for protection of constitutional guarantees has not been demonstrated. Therefore, given the form and circumstances in which the document containing the appeal for review on the part of the complainant has been drawn up, as has been already established, these must be considered out of order and the said injuries must be rejected for the purposes of the suit.— Likewise it should be observed that, because of the form of the appellant's statement that he does not accept the actions of governmental authority, case number 64 has application here, which may be found on page 142 of the Appendix to Volume XCVII of the Judicial Weekly of the Federation, and which contains the thesis constantly applied in this court, when presented with a complaint regarding injuries such as that before it now. The thesis invoked says: "Injuries Under Review".—For the purposes of review, complaints regarding injuries are not in order, when the appellant merely reproduces, in almost the same words, the allegations of violation set forth in his petition, which have been examined and declared without foundation by the responsible judge, without setting forth any argument attacking the illegality of the decision handed down by said judge, by demonstrating violations of the law in substance or in form contained in such decision, and showing that all the requirements of judicial procedure and practice have not been met, which are indicated as appropriate to the case; and in such case, the appeal must be rejected and the decision affirmed in all its parts";

consequently, it must also be concluded that in such circumstances, the appellant's charges of injuries being out of order, the principles that the judge took into account in resolving the case, in the manner in which he so resolved it, must subsist, in order to preserve its validity and legality in denying the protection which had been petitioned for before him. Likewise and subsidiarily, also because of the form in which the appellant set forth his reasons for not abiding by the actions of governmental authority, case number 76 has application here, which may be consulted on page 145 of the Appendix and Volume already cited of the Judicial Weekly of the Federation, which says: "Injuries, Mode of Stating Them.—By injury is understood the injury to a right, caused by a judicial decision, not duly applied in accordance with law, or in which the applicable law has not been applied; consequently, in setting forth this injury, the appellant must state exactly which is the portion of the decision he complains of, must cite the legal provision violated and must explain the circumstances infringing such provision, and the statement of injury which lacks these requisites cannot be taken into consideration. In view of the manner in which the complainant stated his injuries and with basis in the precedents cited, which apply in this case, it is proper to conclude that the decision of the lower court must be affirmed, on its proper and legal bases, said decision having denied to the complainant the protection he requested in his petition for protection of constitutional guarantees, against the acts complained of in said petition.

On the basis of what has been set forth and proved, it is resolved: First.—The decision under review, given in the suit brought to protect constitutional guarantees to which this Docket refers, is hereby affirmed. Second.—The Courts of the Union do not protect or defend the complainant Sidney Steele against the actions of the Secretary of the National Economy, of which he complains through his attorney, Carlos del Castillo, which actions are: "the resolu-

tion number 1 issued by the responsible authority under date of January 4 of the current year (1951), in which the nullity of the national mark 33602, called "Bulova", the property of the complainant and which has reference to watches, is declared the consequences and effects that arise from said resolution.—THIRD.—Notice and publication of this decree shall be made; Witnesseth this resolution that the record is hereby returned to the Court in which it originated; and in due time this Docket will be filed.—Thus by a majority of three votes *contra* to that of Judge Carreno, it has been resolved by the Second Court of the Supreme Court of Justice of the Nation, Judge Octavio Mendoza Gonzalez presiding. Judge Jose Rivera P.C. was absent from the consideration of this cause. Signed by the President of the Court and the Judges composing it, and the Clerk of the same, who gives faith. President: Franco Carreno. (Signed).—Judges: Alfonso Francisco Ramirez. (Signed).—N. Guerrero. (Signed). Octavio Mendoza Gonzalez. (Signed). Clerk: Angel Salazar Arjona. (Signed). . . . This is a faithful copy taken from the original, *Compared* from which it is taken to be delivered to the interested party, with this order on this day.

Mexico, D.F., 14th of October of 1952.

Angel Salazar Arjona

Roque Estrada, President of the Supreme Court of the Nation, . . .

I certify: that the preceding signature is that of Attorney Angel Salazar Arjona, Clerk of the Second Court of this High Court, on duty on the day given and is the same signature used for all official purposes.

Mexico, Federal District, 18th of October, 1952.

Roque Estrada.

Chief Clerk

Elpidio Manrique

Enrique Rodriquez Cano, Chief Officer of the Secretariat of Government, by order of the Secretary, certifies: that Attorneys Roque Estrada and Elpidio Manrique are President and Chief Clerk, respectively, of the Supreme Court of Justice of the Nation, on the 18th of the present month and that theirs are the signatures preceding.

Mexico, D.F., Oct. 20, 1952.

E.R. Cano

Registered under the
Number 1694
The Director General of Government

Attorney Fernando Suarez del Solar.

Affidavit of Translator

District of Columbia: ss

I, ANYDA MARCHANT, being duly sworn, depose and say:

1. My name is Anyda Marchant; I reside at 240 Park Avenue, Takoma Park, Maryland.

2. I hereby declare that I am qualified to make translation from the Spanish language to English in legal matters; that I hold the degree of Bachelor of Laws, that I am a member of the Bar of Virginia and of the Bar of the Supreme Court of the United States, and that I have had fifteen years experience in translating and interpreting the laws of Spanish speaking countries, including, on various occasions since 1940, work for the United States Department of State as technical translator in international conferences.

3. I further declare that the attached translation is, to the best of my knowledge and ability, an accurate translation of the original Spanish text of the judgment of the Su-

preme Court of Mexico in Sidney Steele v. The Secretary of the National Economy, October 6, 1952.

ANYDA MARCHANT

Subscribed and sworn to before me, this Third day of November, 1952.

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HELEN FAUST

Notary Public, District of Columbia.

My Commission expires May 14, 1956